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# House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. BLUMENAUER).

## DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
*September 27, 2007.*

I hereby appoint the Honorable EARL BLUMENAUER to act as Speaker pro tempore on this day.

NANCY PELOSI,
*Speaker of the House of Representatives.*

## PRAYER

The Reverend James T. Golden, Ward Temple A.M.E. Church, Bradenton, Florida, offered the following prayer:

God omnipotent, God omniscient, God omnipresent: We thank You for Your mercy that gently awakened us this morning for another day of service to our Nation. And we thank You for Your grace that will empower us to overcome any challenges we will face.

We pray now for our President and all of our fellow servants in Federal, State, and local government across the land. Let Thy will be done today in everything they see, everything they utter, everything they hear, everything they think, and everything they feel.

We also pray for our vigilant, valiant Armed Forces as they protect our interests, defend our liberty, and secure justice at home and abroad in selfless sacrifice for our country.

O God our help in ages past, God of our weary years, God of our silent tears, God who has brought us thus far along the way, O God our hope for years to come, keep our Nation forever in Thy path of goodness and righteousness we pray. Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentlewoman from North Carolina (Ms. FOXX) come forward and lead the House in the Pledge of Allegiance.

Ms. FOXX led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed a bill of the House of the following title:

S. 2085. An act to delay for 6 months the requirement to use of tamper-resistant prescription pads under the Medicaid program.

## INTRODUCING THE REVEREND JAMES T. GOLDEN

(Ms. CASTOR asked and was given permission to address the House for 1 minute.)

Ms. CASTOR. Mr. Speaker, I rise today to recognize a wonderful man and my constituent, the Reverend James T. Golden of the Ward Temple A.M.E. Church in Bradenton, Florida. He is the guest chaplain of the House of Representatives.

Reverend Golden is a pillar of the Tampa Bay community, with a long record of public service and dedication. In the year 2000, he was elected to the Bradenton City Council, which he continues to represent with distinction.

Reverend Golden is a veteran of the United States Army. He received a bachelor's degree in business administration from Stetson University in Deland, Florida, and went on to become a master of divinity from the Interdenominational Theological Center in Atlanta. He returned to Florida to attend the University of Florida and received his juris doctorate. Reverend Golden has shared his great knowledge and insight with students throughout Florida, and he ministers to the congregation of the Ward Temple A.M.E. Church in Bradenton and serves his community through many nonprofit organizations.

He is joined today by his wife Mildred, nephew Kahreem, and niece Lyleigha. I am proud to stand in recognition of his accomplishments and leadership today.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain up to 10 requests for 1-minute speeches on each side.

## GLOBAL WARMING

(Ms. SOLIS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SOLIS. Earlier this week, the world came together at the United Nations to discuss the need to take action against climate change. The United Nations Secretary General stated, ''I am convinced that climate change and what we do about it will define us, our era, and ultimately the global legacy we leave for our future generations.'' Missing from the discussion, however, was none other than the United States.

Rather than engage, the Bush administration continues to bury its head in the sand, organizing summits to discuss aspirational goals and ignoring real science.

The science is certain. Human activity impacts human security, and without a mandatory agreement, the costs of climate change will continue to be socialized. Business as usual cannot go on. We must commit to mandatory reductions in order to protect health, environment, and security around the world.

Our cities, States, and Democrats in Congress are leading by example. I hope the administration will join us and our colleagues on the other side of the aisle. Vulnerable communities in the United States and around the world deserve nothing less.

## CELEBRATING THE 100TH ANNIVERSARY OF HOLLAND TRANSFER COMPANY

(Ms. FOXX asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FOXX. Mr. Speaker, I rise today to pay tribute to one of the finest and oldest logistics companies in the State of North Carolina. Holland Transfer Company in Statesville, North Carolina embodies the ethics of good business that separates great companies from the rest.

This week, Holland Transfer celebrates its 100th anniversary and its longstanding commitment to running a customer service-centered business. This company has transported goods and materials to North Carolina businesses since 1907 and is the oldest carrier in the State.

In the 100 years since its founding, Holland has built a strong reputation as a company that its customers can depend on to provide high-quality service without having to worry about getting shortchanged. Not many companies reach such a 100-year benchmark. In fact, it is doubtful that when Holland Transfer Company began with a team of horses and a single wagon that its founder, S.R. Holland, envisioned a company that today is a major part of the Statesville community.

Today, Holland Transfer embodies Christian values as part of its company character. These values are an integral part of what has made Holland Transfer successful for 100 years. I wish this fine company and all its employees all the best and many more years of doing business the right way. It is businesses like Holland Transfer that make this country great.

## IRAN AND LATIN AMERICA

(Mr. KLEIN of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLEIN of Florida. Mr. Speaker, I rise to put the spotlight on an ominous trend in our region. Iranian President Mahmoud Ahmadinejad may have left New York, but he remains close by. From the U.N. General Assembly, Mr. Ahmadinejad flew to Bolivia and then to his friend, Hugo Chavez, in Venezuela.

Ahmadinejad, with his hate-filled rhetoric and his funding of global terror, is too close for comfort. I rise to urge our friends in Latin America to refuse the Iranian president's advances and see him for what he is: a bully who disregards international will and who ignores our efforts against terrorism.

The 1994 bombing of the Argentine Jewish Community Center shows that the Iranian presence in Latin America has been dangerous in the past. This week, Argentina called on the U.N. General Assembly to urge Iran to more fully cooperate with the investigation so that justice can finally be served for this heinous act of terrorism.

Coming from south Florida where I live, when something happens in Latin America, we feel it. My district has many economic and familial ties to Latin America. Our friends in Latin America have been our partners in fighting terrorism, and we look forward to continuing our mutually beneficial partnership with these countries to make our areas safe and more secure.

## ARE YOU PUSHING OR PULLING BACK THERE?

(Mr. AKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKIN. When I traveled in rural Missouri a number of years ago, I had a favorite truck stop. And on the wall among the things they sold was a picture of a little John Deere green wagon with yellow wheels, had a bail of hay, and it looked like a wheel was sort of stuck on a bump. And there was a little kid with Oshkosh overalls pushing on it, and another kid with the tongue, and he is looking over his shoulder, and in the caption, ''Are you pushing or are you pulling back there?'' And that picture kind of comes to mind when I think of our Democrat leadership.

We have got 130,000 troops in the field and they have already declared defeat; and I am kind of wondering, are you pushing or pulling back there?

And then we have unanimous consent for General Petraeus, and before he can deliver the report that the Democrats asked to have delivered, they are savaging him in the New York Times as ''General Betray Us.'' And I am thinking, are you pushing or pulling back there?

And now we are talking about affording all kinds of special rights to terrorists that are in jail. It makes me think one more time: By golly, guys, are you pushing or pulling back there?

## FREEDOM OF SPEECH

(Ms. SHEA-PORTER asked and was given permission to address the House for 1 minute.)

Ms. SHEA-PORTER. Yesterday, there was a resolution before the House which I voted for, and the reason I voted for it was because it stated it expresses our appreciation, talking about General Petraeus, for his personal sacrifices and those of his family, as well as the sacrifices of those who served in the Armed Forces and their families.

I too had a husband who served in the Armed Forces, and I was a family member, and so I supported that. But here is where I have trouble. It went on to attack MoveOn.org, saying such unwarranted attacks should be strongly condemned by Republicans and Democrats alike in the House.

I, too, would like to improve the tone here in this House. I would like to see civility. But they forgot to mention something in that resolution. They forgot to condemn the Swift Boating; they forgot to condemn the comments against Senator Max Cleland and other veterans who served this country honorably as well.

I wait for a new resolution that condemns behavior on both sides of the aisle attacking all veterans from all political persuasions. Until then, I support free speech.

## BRAIN INJURY ALLIANCE OF SOUTH CAROLINA

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, I rise today to recognize the Brain Injury Alliance of South Carolina and to thank them for their service in raising public awareness of brain injuries. Leaders of this cause have been my longtime friends Lyman and JoAnne Whitehead of Irmo.

An estimated 1.4 million Americans sustain a brain injury yearly. In particular, many of our brave men and women serving in the central front of Iraq and Afghanistan have experienced some form of traumatic brain injury. It is vital that we do all that we can to address our veterans just as we address the needs of civilians living with this condition.

The Brain Injury Alliance is helping to lead the way in informing the public of the dangers of this complex injury and what can be done to help individuals rehabilitate. Their public awareness campaign uses different forms of media and community outreach to ensure that citizens are well educated on this issue. Thousands of individuals and their families will surely benefit from this thoughtful assistance.

In conclusion, God bless our troops, and we will never forget September the 11th.

## FREEDOM OF SPEECH

(Mr. COHEN asked and was given permission to address the House for 1 minute.)

Mr. COHEN. Mr. Speaker, yesterday there was a continuing resolution with a motion to recommit that attacked

MoveOn.org. I voted against that motion to recommit, and I did it because it attacked the first amendment.

There is a tradition in the House that we address the conduct and not speech, speech which is protected by the first amendment, that flag, and the Constitution, the Bill of Rights.

Now, when we start to attack speech and don't attack other speech, by implication we approve of the other speech. This House by not attacking Don Imus for his statements about African American women, this House by not attacking the individuals who questioned Max Cleland's citizenship or his honor, this House that did not condemn Rush Limbaugh and his statements about Senator HAGEL and Michael J. Fox, or Jerry Falwell and Pat Robertson who question people who are gay and lesbian and feminists for the attacks or Katrina.

When we attack one group for speech and don't attack others, by implication we approve the other's speech, and that is wrong, and that is why the motion to recommit was wrong, and it is a dangerous precedent.

## WORLD WAR II VETERAN BRUCE HAMMOND AND THE TWILIGHT WISH FOUNDATION

(Mr. POE asked and was given permission to address the House for 1 minute.)

Mr. POE. Mr. Speaker, Bruce Hammond came to Washington, DC yesterday. He traveled here with the Twilight Wish Foundation to have his lifetime desire to see the World War II Memorial granted.

Bruce Hammond was an 18-year-old drafted right out of high school in 1944. He served honorably in the United States Army in Europe. Hammond, from Cleveland, Texas, had his wish fulfilled through the Twilight Wish Foundation. The mission of this foundation is to demonstrate care and respect for seniors in America. It grants wishes for seniors on fixed incomes who are below the poverty level. Some wishes are as simple as supplying a hearing aid.

Hammond wanted to see our country's tribute to World War II veterans. Corporal Hammond spent most of yesterday at the Memorial with his sons in solemn tribute and reflection of his buddies back in World War II.

I commend the Twilight Foundation for working to honor our seniors, and we shall always remember our Greatest Generation and their sacrifice and service to this country.

And that's just the way it is.

## RECOGNIZING DEDICATION OF JUDGE ARNOLD COURTHOUSE

(Mr. ROSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSS. Mr. Speaker, I am pleased to stand here today with my colleague from Arkansas to honor and remember a fellow Arkansan who dedicated his life to serving the public and upholding justice across our great Nation. Texarkana native Judge Richard Arnold spent his lifetime in the court system, from the U.S. District Court to the Eighth Circuit Court of Appeals, where he rose to be chief judge in 1992. Judge Arnold even ran for Congress for the seat which I now hold, Arkansas Fourth Congressional District, before he began his distinguished legal career in the Federal court system.

I am proud that the new United States Federal Courthouse in Little Rock, Arkansas, which will be dedicated tomorrow, will be forever named the Richard Sheppard Arnold United States Courthouse. Judge Arnold was admired for his fairness and will be forever remembered as a dedicated public servant who cared deeply about his family, his work, his State, and his country. I am honored to deliver these remarks as a tribute to his life and career.

□ 1015

## 60TH ANNIVERSARY OF THE UNITED STATES AIR FORCE

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise to commemorate the 60th anniversary of the United States Air Force.

Time and again, the brave men and women of the United States Air Force have answered the call of duty to serve and protect this great Nation. It's because of them that we have the best Air Force in the world, and they will continue to expand that legacy of true excellence and air dominance.

As a 29-year Air Force veteran, it's my honor to congratulate them on 60 years of exemplary service and wish them many more years of air superiority to come.

They all are shining examples of ''service before self,'' one core motto of the Air Force. They protect the safety and security of all U.S. citizens.

As they say in our song, ''Nothing will stop the U.S. Air Force.''

God bless all the men and women of the United States Air Force. I salute you.

## GLOBAL WARMING

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKEY. Mr. Speaker, this week the world convened at the United Nations to combat climate change, but President Bush stayed away.

While the rest of the world knows that carbon dioxide threatens the planet, this administration can't even decide if it endangers the planet.

President Bush's response is not action, but talk. Instead of stopping the pollution, he starts a filibuster.

President Bush has decided to host a conversation to discuss his aspiration for procrastination on global warming until he leaves office. It is time for America to save the planet from another 50 years of red, white and blue $CO_2$. It is time for America to use its technological genius to launch a new future of clean power, new jobs, and lower cost.

We have no choice. The ice is melting. The coral is dying. The forests are burning, and 30 percent of all species are in danger of extinction.

President Bush, it is time to stop the empty rhetoric and to start saving the planet.

## CLEAR ACT UPDATE

(Mrs. BLACKBURN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BLACKBURN. Mr. Speaker, a couple of weeks ago I introduced the Charlie Norwood CLEAR Act, which targets violent criminal aliens and gives local law enforcement the tools they need to get them off the street. This legislation now has bipartisan support and has 140 sponsors, cosponsors; and we are adding to that.

Last week I conducted a telephone town hall, and the overwhelming majority of the callers on that phone call demanded that Congress take action, take some action, not just talk about removing criminal aliens, but take action to get them off the street. This bill accomplishes that goal.

Mr. Speaker, as we hear about the events that have taken place since September 11, Fort Dix, Newark, and in Arizona recently, we know it is needed. So I encourage my colleagues, cosponsor the CLEAR Act, H.R. 3494. Support ridding our streets and our communities of criminal aliens and absconders.

## PRIORITIES

(Mr. EMANUEL asked and was given permission to address the House for 1 minute.)

Mr. EMANUEL. Mr. Speaker, yesterday Defense Secretary Gates requested 43 billion more dollars for the war in Iraq, 43 billion more dollars to support the President's plan for more of the same. We have spent $400 billion in 4 years on the war in Iraq.

For 41 days of the cost of the war, 10 million children would get health care. For 1 month for the cost of the war, 7½ million children would get health care. For 1 week of the cost of the war, 2½ million children would get health care.

While billions have gone unaccounted for in Iraq, and the administration has shown no willingness to do what is necessary to crack down on the waste, fraud and abuse in Iraq, the President calls health care for American children excessive spending.

The President is asking for an open-ended, open-wallet commitment to Iraq; and yet he's told America's children, you're on your own.

I want you to think about this: there have been three vetoes in President Bush's 7 years; one to redeploy from Iraq, one to permit stem cell research, and one to give 10 million children health care; and it says it all about the President and his priorities.

## NATIONAL FUTURE FARMERS OF AMERICA

(Mr. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Nebraska. Mr. Speaker, I rise today to commend the FFA, commonly known as the Future Farmers of America, on the news that for the first time in 29 years, their student membership has passed 500,000 students.

It is encouraging to see groups like the FFA growing and adding new members. Through the FFA, young people in rural and urban areas alike are able to understand agriculture's economic, social and environmental impact on all Americans, as well as agriculture's history.

Agriculture is not so much of a vocation as it is a way of life. Owning and operating a farm or ranch is a labor of love, costing time, money, risk and other investments far above most careers. The FFA prepares the next generation of our Nation's family farmers as they step up on the plate.

Simply put, agriculture matters. I'm proud to represent the Third District of Nebraska, one of the largest agricultural districts in the country, and one which truly embodies the spirit of the FFA.

## GLOBAL WARMING

(Mr. HALL of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HALL of New York. Mr. Speaker, this week the Select Committee on Energy Independence and Global Warming held two events that starkly presented the consequences of climate change and showed us the way forward to prevent them. Wildlife officials from Alaska showed pictures of polar bears and other species struggling to survive as the ice literally melts under their feet.

The committee heard the gripping testimony of Mayor Stanley Tocktoo, whose village of Shmirsha, Alaska, is literally being wiped away by climate change. He showed footage of severe storms that polar ice once used to defend his village from, hundreds of feet of shore line lost during a single storm, and homes collapsing into the sea.

We need to act to keep Shmirsha, Alaska, from being a harbinger for our communities around the continental United States. The next day, U.N. Special Envoys on Climate Change discussed how.

Secretary Ban gathered over 150 countries in the largest discussion ever of climate change, and they testified of the need to change energy policy and bring emissions under control.

We must act by passing the energy bill and taking real action on carbon control. The stakes are too high for soft, nonenforceable goals.

## GOP GOVERNORS ABANDON PRESIDENT BUSH ON CHIP

(Mr. SIRES asked and was given permission to address the House for 1 minute.)

Mr. SIRES. Mr. Speaker, last week President Bush once again threatened to veto a bipartisan agreement that will provide health care insurance to 10 million low-income children. The President should talk to our Nation's Governors, 43 of whom have voiced support for a strengthened CHIP reauthorization.

The Republican Governor of Utah, Jon Huntsman, said, ''CHIP is a much needed safety net for uninsured kids, and Congress showed tremendous foresight in authorizing it a decade ago. Uninsured children are the State's number one priority.''

The Republican Governor of Wisconsin, Tim Pawlenty, said, ''We as Governors also want to make sure that the current population, and hopefully some reasonable expansions, could be covered.''

In addition, the Republican Governor of California, Arnold Schwarzenegger said, ''We cannot roll back the clock on the program that has helped to ensure children who need it most to have a healthy start in life.''

Mr. Speaker, Republican and Democratic Governors alike recognize the importance of this program. I hope the President will listen to these Governors and reconsider his veto threat.

## CONDEMNING THE ACCUSATION OF MOVEON.ORG

(Mr. SHAYS asked and was given permission to address the House for 1 minute.)

Mr. SHAYS. Mr. Speaker, I rarely address this Chamber for 1 minute, but I cannot remain silent over the fact that 79 Members of this Chamber refused to condemn the accusation of MoveOn.org that General Petraeus, who has given 3 years of his life in service to our country in Iraq, has betrayed us. He had a message of hope and a recommendation that we not leave Iraq too quickly.

Whether you agree with the general who commands our troops, he, and the troops he commands, deserve to know that all of us in Congress appreciate his service and will not be silent to such outrageous charges. MoveOn.org can say whatever it wants, but freedom of speech does not mean Congress must remain silent.

## HONORING JUDGE RICHARD ARNOLD

(Mr. SNYDER asked and was given permission to address the House for 1 minute.)

Mr. SNYDER. Mr. Speaker, people in Arkansas who knew of Judge Richard Arnold admired and respected his great legal mind, his integrity, and his remarkable attributes as a human being. Everyone who personally knew him liked him. Not even those who disagreed with him found fault with his judicial demeanor nor his legal analysis.

Now we have an opportunity to honor this great man. Tomorrow in Little Rock will be the formal dedication of the Richard Sheppard Arnold United States Courthouse, a wonderful new facility. Not only will this building be a great site for justice in central Arkansas, but it will be a lasting tribute to Judge Arnold. And on this day also we honor his wonderful wife, Kay Kelley Arnold, who will be in attendance at tomorrow's dedication.

## PROVIDING FOR CONSIDERATION OF H.R. 3567, SMALL BUSINESS INVESTMENT EXPANSION ACT OF 2007

Mr. CARDOZA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 682 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 682

*Resolved,* That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3567) to amend the Small Business Investment Act of 1958 to expand opportunities for investments in small businesses, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Small Business. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered as read. All points of order against provisions of the bill are waived. Notwithstanding clause 11 of rule XVIII, no amendment to the bill shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The

previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. During consideration in the House of H.R. 3567 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore. The gentleman from California is recognized for 1 hour.

Mr. CARDOZA. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Washington (Mr. HASTINGS). All time yielded during consideration of the rule is for debate only.

I yield myself such time as I may consume and I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on House Resolution 682.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1030

Mr. CARDOZA. Mr. Speaker, House Resolution 682 provides for consideration of H.R. 3567, the Small Business Investment Expansion Act of 2007, under a structured rule. As the Clerk reported, the rule provides for 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Small Business. The rule waives all points of order against consideration of the bill except for clause 9 and 10 of rule XXI. The rule makes in order all three amendments that were submitted for consideration that are printed in the Rules Committee report accompanying this resolution. Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, the Small Business Administration states that it ''helps Americans start, build, and grow businesses.'' Lately, however, the Small Business Administration's actions have spoken louder than their words. And, unfortunately, SBA's actions have not spurred innovation and development but stifled them.

Given the high cost of purchasing additional capital assets, small businesses are dependent upon financing, which typically comes in the form of venture capital or angel investments. Despite the SBA's intent, its investment programs have fallen short and the needs of small business have gone unmet. In fact, due to SBA's ineffective investment programs, small businesses are now faced with more than $60 billion in unmet capital needs.

This is a tragedy. Small businesses form the backbone of our economic growth. In fact, they are responsible for creating three out of every four jobs in the United States. Imagine how many businesses could grow and how many jobs could be created if we could deliver even a fraction of that unmet need.

Small businesses are vital to our economy, and we cannot afford for our budding entrepreneurs to be denied the opportunity to succeed. By making the SBA an efficient partner in business development, small businesses will have better and more widespread access to venture capital and angel investments that they need.

Mr. Speaker, the bill before us today, H.R. 3567, has strong bipartisan support. It passed the Small Business Committee by a voice vote.

Among other things, H.R. 3567 streamlines the Small Business Investment Company program. Last year this public/private partnership leveraged more than $21 billion to over 2,000 small businesses. However, the current leverage limits are overly complex and the heavy reliance on debt-based lending programs has hampered the investment in veteran-, minority-, and women-owned businesses. H.R. 3567 will simplify how leverage caps are calculated and revise the limitations on aggregate investments to increase small business investment opportunities. In addition, it provides incentives to target veteran-, minority-, and women-owned businesses.

Second, the bill updates the New Markets Venture Capital program. This program was established specifically to address the unmet equity needs of low-income communities. However, this program has been woefully underfunded, and as a result, investment in low-income communities has suffered. H.R. 3567 expands the New Markets Venture Capital program and provides additional incentives for small manufacturing companies in low-income areas. This will be especially important to areas like those in my district in Merced County.

Third, the bill establishes a new Office of Angel Investment to focus on increasing equity investments in small businesses. Angel investors are high net-worth individuals who invest in and support start-up businesses in their early stages of growth and currently account for the creation of more than 51,000 new businesses every year.

H.R. 3567 promotes this crucial source of financing for entrepreneurs through the creation of an Angel Investment program within SBA's investment division. This new program provides matching financing leverage to eligible angel groups with 10 or more investors. The bill also directs the SBA to create a Federal angel network, a searchable directory of angel groups on the SBA Web site to better match up angel investors with small businesses seeking financing.

The bill also addresses many deficiencies in the Surety Bond program to assist small businesses in obtaining the backing they need to compete for construction contracts.

Mr. Speaker, this bill reflects Democrats' commitment to providing real solutions to remove the obstacles facing America's small business owners, innovators, and entrepreneurs. I would like to thank the Small Business Committee for their hard work and thoughtful work in bringing this legislation to the floor today. In particular, I extend my thanks to my good friend from Pennsylvania (Mr. ALTMIRE) and Chairwoman VELÁZQUEZ.

Mr. Speaker, we all recognize the importance of small business to our economy, and we must act on this bipartisan bill without further delay.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I want to thank the gentleman from California, my good friend (Mr. CARDOZA), for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, as a former small business owner, I recognize the need for legislation to help update and streamline Small Business Administration programs and leverage new investment strategies in order to expand small business investment.

However, we must also make a commitment to small business that tax relief measures that passed the House the last several years should not be allowed to expire at the end of this year. With a month left before Congress's target adjournment date and just 3 months left of 2007, small businesses are depending on Congress to act quickly to renew tax relief which has allowed them to create more jobs and grow, helping America's economy grow at the same time. Tax relief and reduced regulatory burdens can make all the difference whether a small business is profitable at the end of the year or is forced to close its doors.

Mr. Speaker, yesterday the Rules Committee adopted a structured rule for consideration of H.R. 3567, the Small Business Investment Expansion Act of 2007. While this rule makes all submitted amendments in order, I believe the underlying bipartisan bill that is supported both by the chairman and ranking member of the Committee on Small Business should have been considered under an open rule on the House floor today.

Yesterday the ranking member, Mr. DREIER, on Rules gave the Democrat majority on Rules the opportunity to double the number of open rules that this body has heard other than appropriation bills reported from the committee this Congress. Unfortunately, Democrat members of the Rules Committee denied bringing the underlying bipartisan bill to the floor under an open rule process. Thus only two, Mr. Speaker, only two of 433 Members of the House will be able to offer amendments on this bill today. While this is disappointing, this, unfortunately, is not an unusual practice of this Rules Committee, despite promises of openness made to the American people just last year.

Mr. Speaker, earlier this year, House rules were adopted that require the disclosure and allow Members to challenge earmarks in appropriation bills;

however, under current House rules, earmarks and authorization bills and tax bills do not have to be disclosed and are not allowed to be challenged. This loophole needs to be closed, and I am going to give my colleagues in this House another opportunity to send a strong message to the American taxpayers that we are serious about earmark transparency. Therefore, I will be asking Members to oppose the previous question so that I may amend the rule to allow for immediate consideration of House Resolution 479, the earmark accountability rule. By defeating the previous question, we will be able to address earmark enforceability in order to restore credibility to this House. By considering and approving House Resolution 479, we will send a strong message to American taxpayers that the House will no longer turn its head the other way when it comes to transparency of earmarks.

As my colleague LINCOLN DIAZ-BALART observed yesterday, it has been a good week for earmarks and a bad week for transparency. We have an opportunity to change that, and I hope the Democrat majority will not make this another missed opportunity to make good on their promises to seek earmark transparency to American taxpayers.

I urge my colleagues to oppose the previous question.

Mr. Speaker, I ask unanimous consent to have the text of the amendment and extraneous material inserted into the RECORD prior to the vote on the previous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time.

Mr. CARDOZA. Mr. Speaker, the gentleman discusses the question of an open rule. In fact, we adopted every amendment that was presented to the Rules Committee and brought it to the floor today. There were three amendments offered. All three amendments will be before the House today.

And the question on a Small Business Committee bill that deals with the wide diversity that small businesses can impact really allows, under the House rules, under the germaneness rules, that almost any measure, not related to this bill, but almost any measure could be brought to the floor under an open rule. It's much more appropriate for the Rules Committee to manage the debate and the time spent on this House floor by asking all Members to submit their amendments that they might want to put forward on this particular bill and debate them in an orderly fashion on the floor. And that is why the committee adopted the rule that it did, a structured rule, to manage the rule in an appropriate rule way.

The second question is on the question of earmarks that the gentleman raised. And I would just like to refer to page 24 of the report submitted to the House that accompanies this bill, and title XIV is a statement of no earmarks. I should read that to the House at this time.

It says: ''Pursuant to clause 9 of rule XXI, H.R. 3567 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.'' The statement is very clear that there are no earmarks in this bill.

Mr. Speaker, the Democrats believe that small businesses are a fundamental part of our Nation's economic growth and that government has a responsibility to provide increased investment opportunities to ensure their long-term successes. H.R. 3567 creates a renewed focus on minority-owned small businesses and small businesses in low-income areas, both of which have been traditionally faced with difficulty in gaining access to equity investment. It also paves the way to better serve thousands of small businesses and give a much-needed jolt to our economy.

Mr. Speaker, we must continue to shepherd our small businesses to give them every opportunity to succeed for today and for tomorrows yet to come. This bill will move us in that direction, and small businesses will be that much closer to making their dreams of prosperity a reality with the passage of this bill.

I urge a ''yes'' vote on the rule and on the previous question.

The material previously referred to by Mr. HASTINGS of Washington is as follows:

AMENDMENT TO H. RES. 682 OFFERED BY MR. HASTINGS OF WASHINGTON

At the end of the resolution, add the following:

SEC. 3. That immediately upon the adoption of this resolution the House shall, without intervention of any point of order, consider the resolution (H. Res. 479) to amend the Rules of the House of Representatives to provide for enforcement of clause 9 of rule XXI of the Rules of the House of Representatives. The resolution shall be considered as read. The previous question shall be considered as ordered on the resolution to final adoption without intervening motion or demand for division of the question except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Rules; and (2) one motion to recommit.

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(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R–Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Democratic majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution * * * [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information from Congressional Quarterly's ''American Congressional Dictionary'': ''If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business.''

(f) Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. CARDOZA. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Washington. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

□ 1045

## PROVIDING FOR CONSIDERATION OF H.R. 3121, FLOOD INSURANCE REFORM AND MODERNIZATION ACT OF 2007

Ms. MATSUI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 683 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 683

*Resolved,* That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3121) to restore the financial solvency of the national flood insurance program and to provide for such program to make available multiperil coverage for damage resulting from windstorms and floods, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. The amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill, modified by the amendment printed in part A of the report of the Committee on Rules accompanying this resolution, shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the five-minute rule and shall be considered as read. All points of order against provisions in the bill, as amended, are waived. Notwithstanding clause 11 of rule XVIII, no further amendment to the bill, as amended, shall be in order except those printed in part B of the report of the Committee on Rules. Each further amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such further amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. During consideration in the House of H.R. 3121 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

POINT OF ORDER

Mr. DREIER. Point of order, Mr. Speaker.

Mr. Speaker, I raise a point of order against consideration of the rule.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. DREIER. I raise a point of order against consideration of the resolution because it violates clause 9(b) of House rule XXI, which states that it shall not be in order to consider a rule or order that waives the application of clause 9(a) of House rule XXI, the earmark disclosure rule.

The rule waives the application of the earmark disclosure rule against the amendment printed in part A of the committee report. The amendment is self-executed by the rule and, therefore, evades the application of clause 9.

I doubt that the self-executed amendment contains any earmarks; however, there is no statement in accordance with rule 9 that it does not.

The SPEAKER pro tempore. Does any Member wish to be heard on the point of order?

Mr. DREIER. I look forward to your ruling, Mr. Speaker.

The SPEAKER pro tempore. The Chair is prepared to rule.

The gentleman from California makes a point of order that the resolution waives the application of clause 9(a) of rule XXI. It is correct that 9(b) of rule XXI provides a point of order against a rule that waives the application of the clause 9(a) point of order.

Clause 9(a) of rule XXI provides a point of order against a bill or joint resolution, a conference report on a bill or joint resolution or a so-called ''manager's amendment'' to a bill or joint resolution, unless certain information on congressional earmarks, limited tax benefits and limited tariff benefits is disclosed. But this point of order does not lie against an amendment that has been ''self-executed'' by a special order of business resolution.

House Resolution 683 ''self-executes'' the amendment recommended by the Committee on Financial Services modified by the amendment printed in part A of the Rules Committee report. Because clause 9(a) of rule XXI does not apply to such amendment, House Resolution 683 has no tendency to waive its application, and the point of order is overruled.

The gentlewoman from California is recognized for 1 hour.

Ms. MATSUI. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of the rule is for debate only.

I yield myself such time as I may consume. I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 683.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. MATSUI. Mr. Speaker, House Resolution 683 provides for consideration of H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007, under a structured rule. As the Clerk reported, the rule provides 1 hour of general debate controlled by the Committee on Financial Services.

The rule waives all points of order against consideration of the bill, except clauses 9 and 10 of rule XXI. The rule also makes in order a substitute reported by the Committee on Financial Services modified by the amendment in part A of the Rules Committee report as an original bill for the purpose of amendment. The self-executing amendment in part A would ensure that the bill complies with the new PAYGO requirements.

The rule makes in order the 13 amendments printed in the Rules Committee report, with each amendment debatable for 10 minutes.

As yesterday's debate in the Rules Committee demonstrated, Members on both sides of the aisle are focused on getting this bill to conference and onto the President's desk, and this bill reflects that consensus.

As a Representative of a district in a floodplain, I understand the need for a healthy flood insurance program. My hometown of Sacramento is the most at-risk river city in the Nation. Whenever I talk about our efforts to improve Sacramento's level of flood protection, I also mention the importance of flood insurance. If you live behind a levee, you should have flood insurance. And the Federal Government has the responsibility to promote this kind of coverage.

I also recognize that to accomplish this, we need a healthy and robust national flood insurance program. That is why legislation we debate today, the Flood Insurance Reform and Modernization Act, is so significant. Through this legislation, we will meet our responsibilities, we will ensure coverage is available to those at risk, and we will educate those same individuals as to the benefits of flood insurance. This bill, which was reported out of the Financial Services Committee by a bipartisan majority of 38–29, takes us in that positive direction.

In the aftermath of Hurricane Katrina, the deficiencies in the program were laid bare. What remained was a program $25 million in debt with a questionable future. It is imperative that we rebuild and reform the Federal flood insurance program.

For many Americans, owning insurance to protect against a flood is more valuable than coverage in case of fire. That is because homes in a designated special flood hazard area are almost three times as likely to be destroyed by a flood as by fire, and this is a case for almost three-fourths of all homes in Sacramento. This is an important program that must be reformed to ensure its long-term stability and solvency.

The bill we are considering today makes reasonable reforms and lays the foundation for a stronger and improved flood insurance program, and for that I would like to thank Chairman BARNEY FRANK and Chairwoman WATERS for their leadership on the bill.

This bill takes important steps to modernize the flood insurance program. It raises maximum coverage limits to keep up with inflation. It provides new coverage for living expenses if you have to vacate your home. And it also provides optional coverage for basements and business interruption coverage for commercial properties. These are all positive steps that will allow the program to continue to provide peace of mind to those impacted when a flood occurs.

In moving forward, Congress is also making the flood insurance program sustainable. The bill tightens enforcement of purchase requirements and adds subsidies on vacation homes, second homes, and businesses. While these actions may not be popular, this will help invigorate the program in the long run.

In addition to helping homeowners, this measure will also benefit taxpayers nationwide by preventing insurance companies from putting their liability on the Federal Government at the expense of the American public.

By identifying flood hazards, managing floodplains via land use controls and building requirements, and providing insurance protections, this essential program reduces flood loss expenses to the Federal Government, saving taxpayers an estimated $1 billion a year.

This measure provides much-needed reforms to restore solvency to a program that has faced unprecedented financial strain in the wake of the 2005 hurricanes. This bill increases accountability of federally regulated lenders by imposing stricter penalties on those lenders that fail to enforce mandatory flood insurance purchase requirements on mortgage holders. This takes our country in the right direction by encouraging individuals to purchase flood insurance, while also addressing the needs of the program.

I would also like to express my sincere thanks for Chairman FRANK for working with me this past year on issues that I believe make this a stronger overall bill. I appreciate the chairman including my legislation, the Flood Insurance Community Outreach Grant Program Act of 2007, in this bill.

This grant program works. A little over two years ago, with the support of a $162,000 FEMA grant, my local flood protection body, the Sacramento Area Flood Control Agency, conducted just a flood insurance outreach initiative. SAFCA reached out to more than 45,000 NFIP policyholders in the American River floodplain with impressive results. After a year, 74 percent maintained their flood insurance policies. Of this group, 43 percent now carry preferred risk flood insurance. Preferred risk policies provide property owners who are protected by a levee or other flood mitigation method with full flood insurance at a reduced price. Because of their lower price, these preferred-risk policies have a higher level of policy retention.

To put this success in perspective, FEMA more than recouped its investment. SAFCA exceeded its target for policies retained more than 20 times over, adding millions to the flood insurance program's bottom line.

Extending these grants to other floodplains will only strengthen and build the solvency of the National Flood Insurance Program.

In short, I truly believe we must encourage greater participation in NFIP rather than providing loopholes for people not to participate. On that note, I would also like to thank the chairman for including language that authorizes a study for future participation of low-income individuals who live in a floodplain. We have an obligation to make sure that everyone has an opportunity to be insured and has access to affordable flood insurance. This is an important issue that I look forward to working on with the chairman, the committee, and many of my colleagues in further addressing this policy issue.

I think it is important that we continue to modernize our flood insurance program. I am pleased that the committee kept the amendment from last Congress' flood insurance bill, language that simply asks that FEMA utilize emerging weather forecasting technology as they update our national flood maps. Moving forward, we must make the investment in weather forecasting technology so that we have the tools to adjust to the changing climate. FEMA needs to be prepared to utilize this technology as it becomes available to us. We must ensure that FEMA has the highest quality information when it works to determine the level of risk for vulnerable geographies. This policy initiative takes us in a positive direction.

Finally, the bill we are debating today is a vital tool to be used after a flooding incident occurs. We need this bill; however, I want to close by saying that flood insurance is one piece of what should be a national comprehensive flood protection approach. Congress must continue to provide the tools and policy for prevention. We must continue to provide the funding for our flood protection infrastructure projects, and we must continue to provide the authorization for the projects that provide the protection for our communities.

□ 1100

With these policies of prevention in place, it will make communities safer and reduce the likelihood of our communities having to utilize their flood insurance policies.

Mr. Speaker, I strongly urge my colleagues to support this rule and final passage of the underlying Flood Insurance Reform and Modernization Act of 2007.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I rise again today in strong opposition to this unnecessarily restrictive rule that completely closes down the legislative process to every single Republican amendment that was offered in hopes of bettering this bill before the Rules Committee. This modified closed rule is being offered by the broken-promise Democrat majority, is wrong on both process and on policy.

Yesterday evening, in the Rules Committee, the place where democracy goes to die in the House of Representatives, the chairman of the Financial Services Committee, the gentleman from Massachusetts (Mr. FRANK) stated that he welcomed debating any substantive amendment so long as the committee did not make in order multiple amendments with similar goals. Despite the chairman's wishes to allow for a fair and open debate on substantive amendments to this bill, Rules Committee Democrats, once again, instead chose to further solidify our committee's growing reputation as ''the graveyard of good ideas'' in the House of Representatives by rejecting five times each time, along straight party lines, attempts to improve this rule by including substantive amendments offered by Republicans.

Chairman FRANK also testified that no amendment had been offered to the legislation that reflected the administration's opposition to this legislation, an inaccurate statement that I would like to clear up. First, my good friend from Georgia, the gentleman, Dr. TOM PRICE, electronically submitted a timely amendment to this bill that dealt with the substantive concerns raised by the administration. Dr. PRICE was then turned away from the Rules Committee and denied the opportunity to even offer this amendment when the paper copies reached the Rules Committee door 5 minutes after the arbitrary deadline that was set by the Rules Committee staff.

Next, Mr. Speaker, when it became obvious that the Rules Committee was going to silence Dr. PRICE, my good friend and Texas colleague, Congressman JEB HENSARLING, modified one of his amendments to address the substantive concerns over the addition of wind coverage to the National Flood Insurance Program that he shared in common with Dr. PRICE and President Bush. Unfortunately, Mr. HENSARLING, too, has been shut out by this rule.

Despite numerous campaign promises by the highest-ranking Democrats in the House to run the most transparent, open and honest House in history, this Democrat majority has once again provided the House with the rule where none of this would be available.

Out of 26 amendments offered to this legislation, not one of the seven Republican amendments offered is made in order under the rule. It can't be for lack of time. There is simply no good reason to rush reauthorization for this legislation which doesn't even expire until next year. And the Democrats certainly found time enough to provide 13 Democrat amendment sponsors enough time to come to the floor to try

and change this legislation. It can't be because these Republican amendments are not substantive. The Hensarling and Price amendments would have addressed the most substantive and contentious part of this legislation: the inclusions of wind coverage into a flood insurance program. However, the Democrat majority, once again, decided that political expediency is more important than allowing the representatives of half of this country to be heard. I wish I could say that I was surprised by the Democrat leadership allowing politics to triumph over policy or fair procedure. Unfortunately, this is precisely what we have come to expect from the new broken-promise Democrat majority.

What is worse, Mr. Speaker, is that this bill's real-world impact is as bad or worse as the process that brings us here to the floor today. It would expand the flood program to include a new risk before the effects of this policy have even been studied. Both the GAO, the Government Accountability Office, and the Congressional Budget Office, the CBO, have reported to us that the program is already not financially sound. That means that, as the program exists that the new Democrat majority wants to put in place, we already know that it is not financially sound. And the addition of this new and untested liability threats to derail much of the much-needed reforms of this program, while vastly increasing taxpayer exposure for losses from natural disasters unrelated to flooding.

Mr. Speaker, I oppose this rule. I oppose its exclusion of every single Republican amendment that was offered to improve it in the Rules Committee. I oppose the raw, political gain represented by the ill-conceived underlying legislation that puts our National Flood Insurance Program in jeopardy. Most of all, Mr. Speaker, I oppose the new earmark loophole, uncovered last night, that provides the broken-promise Democrat majority with yet another opportunity to waive their already loose earmark rules on every bill as they see fit.

While this new development made here to the strict letter of the smoke-and-mirrors earmark rule the Democrats rushed sloppily through the House at the beginning of the Congress, it certainly does not meet the spirit of that rule either. I encourage all of my colleagues to join me in opposing this rule, particularly Chairman FRANK, who argued so eloquently for the inclusion of substantive amendments so that the new rule can be passed that would finally keep the Democrat promise of openness and inclusion alive.

Mr. Speaker, I reserve the balance of my time.

Ms. MATSUI. Mr. Speaker, I just want to point out that the Rules Committee made 13 amendments in order that we believe will benefit the discussion and debate on this very important issue. I would like to point out that three of these amendments were, in fact, bipartisan amendments.

Mr. Speaker, I reserve my time.

Mr. SESSIONS. Mr. Speaker, at this time I would like to yield 3 minutes to the distinguished gentlewoman from Michigan (Mrs. MILLER).

Mrs. MILLER of Michigan. I thank the gentleman for yielding.

Mr. Speaker, yesterday I went to the Rules Committee to offer an amendment to this bill that would have given the people of Michigan and other Great Lakes States fundamental fairness in the Federal flood insurance program. Unfortunately, the Democrat majority on the Rules Committee did not allow the people of Michigan to have their case heard on the floor of this House. I want to stress what I do understand about this bill; that this is an insurance program and that some will pay more than they take out, and that the idea is to have a broad spectrum of the Nation share the risk of natural disasters.

But when it comes to States like Michigan and the Federal flood insurance program, the people of my State are repeatedly being sucked dry by a mandated program that forces so many property owners into floodplains and into the program when they never, or almost never, flood. The net result is that Michigan property owners, by far, pay much, much more than their fair share.

Recent hurricanes, of course, have depleted FEMA funds. The Federal Government appropriately has stood up to help these States recover. But now the Federal flood insurance program is looking for even more money. And people in Michigan, where natural disasters are rare, are being forced to kick in more than their fair share.

I would say this, if it is the policy of the United States Government to continue to encourage property owners to live in areas that repeatedly suffer from natural disasters by offering heavily subsidized insurance, then we should just set up a fund for that purpose. We should not have property owners, like people that live in my State of Michigan, carry the burden of that policy. In fact, water levels in our magnificent Great Lakes are at historic lows. If you believe in the climate change theory, those levels are going to continue to fall. Yet property owners currently in floodplains are faced with increased premiums, and new maps will force even more homeowners in areas where we have never seen a flood into this plan. One thing about Michigan is that, instead of other States where they actually look up at the water, in Michigan, we look down at the water.

I would certainly agree that FEMA needs to do what Congress has asked them to do, to update the maps utilizing satellite and digitized elevation. They need to use the new technology. But we should base elevations on sound science. That is not being done now. Currently, the baseline for the FEMA plan is based on 1986 lake levels, which was at a time of historically high lake levels; 20-year-old data is what they are going to base this on now. I would simply suggest that we wait until the International Joint Commission, the IJC, completes its very extensive and exhaustive study that they are currently doing of the lake levels. I think they are now into the third or fourth year of a 5-year study. Then FEMA will have sound science to use on which to base their floodplain maps.

Mr. Speaker, because the Rules Committee would not allow my amendment to be heard, I intend to vote against this rule. I urge all of my colleagues to also oppose the rule. I will also be recommending to our Governor in the great State of Michigan to consider options that are fair to the residents of the State of Michigan, like self-insuring or actually opting out of the Federal flood insurance program.

Ms. MATSUI. Mr. Speaker, I reserve my time.

Mr. SESSIONS. Mr. Speaker, once again, in line with what we have stated earlier, that the 13 Republican amendments, which were presented to the Rules Committee, of course, there were others that were rejected because they were 1 or 2 minutes late, need to be discussed. The Rules Committee voted on a party line not to let them be on the floor today. But our Members represent important not only States, but important districts and important ideas. Another one of the persons who was denied the opportunity to have his amendment to be made in order is here with us today.

Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. GARRETT) for that purpose.

Mr. GARRETT of New Jersey. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we come today on the floor in September, 9 months into the 110th Congress under Democrat control where they promised us the most open, honest and transparent Congress in U.S. history. And looking back at yesterday on their last rules decision, what have they wrought? Just the opposite.

I come to the floor today, as well, to oppose this rule and to oppose the closed-door proceedings and partisanship that the other side has exhibited yesterday with the way that they handled their rule. Their methodology is basically closing out the voices of almost half of Americans when they want to have their voice heard here in this Congress. I, too, came and submitted an amendment to the committee. Although the other side indicates that 13 amendments were approved, there were no single Republican-initiated amendments approved last night. That is because, as I said, half of America's voices were silenced.

Now, the amendment to the rule that I proposed is quite simple, to try to bring back fairness to this flood program, a flood program that most Americans would support in a bipartisan approach. Picture this, if you will, out on

perhaps the California Coast you have a mansion, a PreFIRM home, a mansion owned by some megastar, a movie star millionaire in that home. He is paying one rate for insurance. Next door, literally across the street, is this little 1970s home, a little bungalow, owned by a poor widow. She now is paying higher rates for her insurance. She, in essence, is subsidizing that multimillionaire movie star on the other side in this lavish megamansion that he may own by this poor widow.

Can't we do something about that? Yes. I propose an amendment that would bring actuarial fairness to this system. And I should say this, too. This was discussed in committee. The chairman of the committee said that he would work with me. My staff did work with his staff. I did work with the chairman. And the chairman even agreed with our language. The chairman even agreed, and I believe testified before the Rules Committee, that what we were doing here was bringing fairness to the committee and the rules process last night.

So, at this time, in my closing comments, I would just ask if the gentlewoman would be willing to enter into a colloquy to explain why is it that she will not, and the Rules Committee would not, enter into a discussion on this bill in Rules, and why is it that they wish to exclude this rule, and why would the gentlewoman in the Rules Committee decide that we should not have fairness, and why should the poor widow be subsidizing the rich and the millionaires in this country?

Mr. Speaker, I yield to the gentlewoman if she can explain why this amendment was excluded last night.

□ 1115

Ms. MATSUI. I would just like to comment that we had a discussion yesterday. I must say that the Rules Committee is different this year than it was last year. I was in the minority last year. We have vigorous discussions in our committee. We have made in order 13 amendments.

Mr. GARRETT of New Jersey. Reclaiming my time, I appreciate the fact that the Rules Committee is different this year from last year, and that is obviously apparent, because only Democrat amendments would come through, and last year both Democrat and Republican amendments would go through.

If the gentlewoman could explain on the merits? I would gladly yield to the gentlewoman if the gentlewoman could address the point as to why this particular amendment was not considered to be appropriate to be considered for this rule, and why it is that we should have the poor and the infirm and those people who have been living in their homes for decades have to subsidize the rich and the wealthy in this country.

I would yield to the gentlewoman, if she would explain why the inequity should continue.

Ms. MATSUI. Mr. Speaker, we made amendments in order last night, and I stand by the Rules Committee product. It might be that later on down the road you may want to work with the Financial Services Committee; but at this point in time, we did make 13 amendments in order.

Mr. GARRETT of New Jersey. Mr. Speaker, reclaiming my time, I appreciate the fact that the Rules Committee under Democrat control has included 13 Democrat amendments to their Democrat-proposed legislation here today. And if that is the new openness and the change in the process that they are presenting to us, should we anticipate that there is no need for Republicans to present any amendments to the Rules Committee in the future because they will only consider Democrat amendments? That is a sorry state for us today.

Mr. SESSIONS. Mr. Speaker, if the gentleman will yield, I heard the gentleman say that he had spent time working with the chairman of the committee on this inequity to make sure that if you brought forward that amendment, that he would not oppose it.

Mr. GARRETT of New Jersey. That is exactly the case. I presented this amendment in committee and presented it and discussed it in committee. At that time, we entered into a colloquy in committee and the chairman said that perhaps we could work through this because there were some other technical aspects that needed to be changed. I was more than willing to take the chairman at his word, and he lived up to his word to the extent that for the next several weeks and months following the committee hearing, we did have a back-and-forth between staff and also the chairman on the floor, literally himself, and he was supportive of the final product we had.

Ms. MATSUI. Mr. Speaker, I reserve my time.

Mr. SESSIONS. Mr. Speaker, once again the Republican team that is on the floor today wishes to continue our voice of representation of millions of Americans for better ideas, to be included not only on this floor but in the Rules Committee for consideration and agreement to debate and vote on these good ideas.

We know that last night that there were 13 amendments that were made in order, all Democrat amendments, no Republican amendments. We know that several Republican amendments were rejected based upon being just minutes late, even though they had been electronically submitted.

So as a result of that, we are here on the floor today doing appropriately, properly, what we should be doing; we are talking about the good ideas that we have. You heard already a good idea from the gentleman from New Jersey. You heard already a good idea from the gentlewoman from Michigan.

At this time I would like to yield 4 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. I thank the gentleman for yielding.

Mr. Speaker, I rise today in strong opposition to this rule governing the consideration of H.R. 3121. I had hoped that the committee would see the wisdom in providing an open rule on this important legislation, and in the absence of an open rule, that it would at least make in order amendments that both sides of the aisle took the time and effort to draft.

Unfortunately, as has been said repeatedly, of the 26 amendments filed with the Rules Committee, only 13, half of the amendments filed, were made in order, and of those 13 amendments that the Rules Committee made in order, not one, not one Republican amendment was made in order.

Has the majority again gone back on its promises to have an open, fair, and bipartisan operation of the House floor? On December 5, 2006, Majority Leader HOYER was quoted in Congress Daily PM as saying, ''We intend to have a Rules Committee that gives opposition voices and alternative proposals the ability to be heard and considered on the floor of this House.'' Clearly, today, the leadership of this Congress has again turned its back on its promises.

The original Flood Insurance Reform Bill, H.R. 1682, which Chairman FRANK and I introduced together earlier this year, enjoyed substantial bipartisan support in the Financial Services Committee. However, due to political pressure, a bill was introduced by my friend from the other side of the aisle, Congressman TAYLOR, to add wind to the National Flood Insurance Program.

The flood reform bill turned partisan. So the majority introduced a new flood reform bill, H.R. 3131, and expanded the flood insurance program to include wind. While nine out of 13 witnesses, insurance experts, testified before the Financial Services Committee that wind should not be added to NFIP, the majority did it anyway.

The new flood-plus-wind insurance passed out of the committee; and in July, at a hearing on adding wind to the NFIP, the National Association of Insurance Commissioners, insurance experts, environmental groups, floodplain management groups, the Treasury, and FEMA all opposed this expansion. That is why we are concerned about not having these amendments come to the floor.

Members on our side of the aisle had hoped to be given the same opportunity to debate important issues on the House floor. The amendments filed by my colleagues Mrs. MILLER, Mr. GARRETT, Mr. HENSARLING, Mr. PEARCE and Mr. ROHRABACHER were not made in order, and Mr. PRICE's amendment was not even considered.

In particular, I wanted to say something about Mr. HENSARLING's amendment. This should have been allowed. This is a hugely important issue. The other side has added a whole new Federal commitment on wind to flood insurance. At the Rules Committee, where I presented the majority request

for an open rule, Mr. FRANK stated that he would welcome all amendments that address significant issues.

Now, it is the prerogative of the Rules Committee, and we had a great discussion on that at the committee, and it seemed to talk more about SCHIP, but it is the prerogative of the committee to make amendments in order. But when they hear from the chairman of the committee, Financial Services, in this case, they did not follow his suggestion. There was no more significant issue than adding wind to the flood insurance.

So I guess that Republicans don't deserve the right to participate in the amendment process, whether it is as a member of the committee of jurisdiction or as a Member of the U.S. House of Representatives. Only through an open rule is that possible. For this reason, I rise in strong opposition to the rule being considered here today.

Ms. MATSUI. Mr. Speaker, I just want to make clear that of these 13 amendments, three are bipartisan amendments.

With that, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, part of what our last three colleagues who have been to the floor spoke about was that as members of the Committee on Financial Services they worked very diligently, not only in their States, not only within their delegation, not only within the committee, but also with the chairman on trying to make sure that these good ideas might be included.

Now, the Rules Committee, which I have only served on for 9 years, always finds itself in a difficult position. Always. That is part of the dilemma of being on the committee, in particular when a committee chairman and a member show up before the Rules Committee and they talk about working together, finding a bit of compromise, working together to get a bill and thoughts and ideas to where they are not only germane, but to where they better the bill. The Rules Committee just sits back and we say, boy, that is such a wonderful thing. We are so happy and so pleased, Republicans and Democrats.

Something has happened, something has happened since January that has poisoned that well. Not only time after time after time did we see yesterday when Republicans showed up and said to the committee, oh, I have worked very carefully with my Governor, or I have worked very carefully with people back home, I've worked with the administration, I have put in a lot of time, this is a thoughtful amendment, I've tried to gain the concurrence of working through the committee; and, oh, by the way, I have even worked with my committee chairman, which says something also about the committee chairman, the gentleman from Massachusetts (Mr. FRANK), who yesterday on his own standing said, by and large, look, I understand every issue that is related to this. I don't mind if any amendment, as long as they are not duplicative, and as long as they have substance, I think they ought to be made in order. Once again, one of those times when the members of the committee, Republicans and Democrats, say, boy, that is great. Thank you so much, Chairman FRANK.

Something's happened, however, where people who were from the committee working with the committee chairman come and agree, and all of a sudden every single Republican amendment was rejected. It wasn't because they were duplicative; it wasn't because they didn't have substance. I don't know what it is.

We have tried this morning to have several people who have come to the floor to say I'd like to engage the new Democrat majority, Rules Committee members, to find out—what is it—Why was every single Republican amendment rejected while 13 Democrat amendments were made in order? What is it?

There's a change. I don't think it's open, I don't think it's transparent, and I question some other things behind the decisionmaking that is being made.

Mr. Speaker, the gentleman from Texas (Mr. HENSARLING) also took time to not only have thoughtful amendments, he not only sits on the committee, but also came to the Rules Committee, is here today also, because he believes, we believe, as Republicans we may get shut out, as we were in the Rules Committee; but we are still going to come to the floor and stand for the things which we believe in that would better the bill.

I would like to yield 4 minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank my dear friend for yielding.

Mr. Speaker, I rarely come to the floor of the House to complain about process. It's a little bit like complaining about the refereeing in the football game. At the end of the day, it doesn't do a whole lot of good. But the irony, the irony of what I see today is so powerful, I must share it with my colleagues.

It was just in the last Congress that our now chairwoman of the Rules Committee, the gentlewoman from New York, said, ''Here we go again, another important issue, another closed rule. The majority is arrogant and out of control. Their unethical assault on our democratic values must stop.''

That is what the gentlewoman from New York, the chairwoman of the Rules Committee, said when she didn't like closed rules when Republicans were in the majority. Well, here we have a closed rule. At least it's closed to Republicans. This Republican offered three amendments, three amendments that were very substantive amendments, none of which were found in order. So I am curious whether this closed rule, now that the Democrats are in the majority, Mr. Speaker, whether they consider it arrogant of themselves, whether they consider it an unethical assault on our democratic values to sit here and bring us a rule which is closed to Republicans.

I would certainly yield to the gentlewoman from California if she would like to answer whether or not it's arrogant and unethical to have a closed rule.

Apparently she doesn't wish to answer the question.

Our Speaker, before she became Speaker, said, ''We are going to have the most honest and open Congress in history.'' NANCY PELOSI, January 18, 2006. She also said, ''Bills should generally come to the floor under a procedure that allows open, full and fair debate consisting of a full amendment process that grants the minority the right to offer its alternatives, including a substitute.'' Speaker of the House, NANCY PELOSI.

□ 1130

So I am curious, did she not mean it when she said it? Does she not mean it now? Is there some carefully crafted, clever little loophole by which we can explain the Speaker's rules why there is no full amendment process?

And I would be happy to yield to the gentlewoman from California if she would like to explain if the Speaker doesn't mean her words.

Apparently she doesn't care to offer an explanation.

Let's get into the substance of the bill, Mr. Speaker. We are looking at an insurance program run by the Federal Government, not run particularly well, since supposedly premiums were supposed to support this program; and now, now it owes the taxpayers, $20 billion of which it admits it has no way, no chance whatsoever to pay back. None whatsoever.

We have a National Flood Insurance Program run by the Federal Government that subsidizes overtly certain properties, many of which are condos and vacation homes, not all, many of which are. And so we have this anomaly where a factory worker in Mesquite, Texas, in my district, who may be pulling down $50,000, $60,000 a year as a taxpayer, subsidizes the flood insurance for somebody who is making a half a million dollars and has a condo on the beach.

One, this is a program that is not fiscally sound. It is a program that is not fair. It is a program that screams out for reforms. And so what does the Democrat majority do? It wants to expand its coverage. It wants to create a huge, new mandatory wind policy. These are serious issues, Mr. Speaker.

Ms. MATSUI. Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I will be asking Members to oppose the previous question to give the Democrats yet another opportunity to live up to their broken promises and amend the rule to allow for consideration of H.

Res. 479, a resolution that I like to call the ''earmark accountability rule.''

Mr. Speaker, this Congress continues to see nondisclosed earmarks appearing in all sorts of bills. These rule changes would simply allow the House to openly debate and be honest about the validity and accuracy of earmarks contained in all bills, not just appropriation bills. If we defeat the previous question, we can address that problem today and restore this Congress's nonexistent credibility when it comes to the enforcement of its own rules.

Mr. Speaker, I ask unanimous consent to have the text of the amendment and extraneous material appear in the RECORD just before the vote on the previous question.

The SPEAKER pro tempore (Mr. BLUMENAUER). Is there objection to the request of the gentleman from Texas?

There was no objection.

## MOTION TO ADJOURN

Mr. SESSIONS. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion to adjourn.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. MATSUI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 175, nays 229, not voting 28, as follows:

[Roll No. 914]

YEAS—175

Aderholt
Akin
Alexander
Bachmann
Baker
Barrett (SC)
Bartlett (MD)
Berry
Biggert
Bilbray
Bilirakis
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goodlatte
Gordon
Granger
Graves
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
King (IA)
Kingston
Knollenberg
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Perlmutter
Peterson (PA)
Petri
Pickering
Pitts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Tancredo
Tanner
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)

NAYS—229

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Bean
Becerra
Berkley
Berman
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Burgess
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Filner
Fortenberry
Fossella
Frank (MA)
Giffords
Gillibrand
Gonzalez
Goode
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Hill
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson (IL)
Kagen
Kanjorski
Kaptur
Kildee
Kind
King (NY)
Kirk
Klein (FL)
Kucinich
Kuhl (NY)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Melancon
Michaud
Miller (NC)
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Peterson (MN)
Platts
Pomeroy
Price (NC)
Rahall
Ramstad
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Stark
Stupak
Sutton
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walberg
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth
Young (FL)

NOT VOTING—28

Bachus
Barrow
Barton (TX)
Bishop (UT)
Carson
Cubin
Davis, Jo Ann
Fattah
Herger
Higgins
Hinojosa
Jindal
Johnson, E. B.
Jones (OH)
Keller
Kennedy
Kilpatrick
Kline (MN)
LaHood
Markey
Meeks (NY)
Miller, George
Moran (KS)
Pence
Rangel
Saxton
Spratt
Sullivan

□ 1158

Messrs. MOORE of Kansas, MEEK of Florida, MCNERNEY, ELLISON, LEVIN, Ms. HARMAN, Messrs. EDWARDS, SARBANES, and JOHNSON of Georgia changed their vote from ''yea'' to ''nay.''

Messrs. SAM JOHNSON of Texas, DUNCAN, GALLEGLY, BUCHANAN, HUNTER, PORTER, and POE changed their vote from ''nay'' to ''yea.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. BARTON of Texas. Mr. Speaker, on Thursday, September 27, 2007, I was unable to make the first vote in a series because I was at the White House for a bill signing of the Food and Drug Administration Amendment Act of 2007. Had I been present, I would have voted ''yea'' on motion to adjourn which failed by the Yeas and Nays: 175–229 (Roll No. 914).

Stated against:

Mrs. JONES of Ohio. Mr. Speaker, on rollcall No. 914, I missed this vote, because I was stuck in traffic. Had I been present, I would have voted ''nay.''

## PROVIDING FOR CONSIDERATION OF H.R. 3121, FLOOD INSURANCE REFORM AND MODERNIZATION ACT OF 2007

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from California.

Ms. MATSUI. Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, if I could inquire from my colleague from California if she has finished with her speakers.

Ms. MATSUI. Yes, I have.

Mr. SESSIONS. Mr. Speaker, at this time I yield the balance of my time to the distinguished gentleman from Ohio, the minority leader, Mr. BOEHNER.

Mr. BOEHNER. Let me thank my colleague from Texas for yielding.

Mr. Speaker, posted on the Speaker of the House's Web site at this moment is a document entitled ''A New Direction for America.'' In this document, the following statement is highlighted: Bills should generally come to the floor under a procedure that allows open, full, and fair debate consisting of a full amendment process that grants the minority the right to offer its alternatives.

Last November when Democrats were preparing to take control of this Chamber, I appreciated something that Speaker PELOSI said. And I quote, ''The issue of civility, the principle of civility and respect for minority participation in this House is something that we

promised the American people. It is the right thing to do. And I set forth, over a number of years now, principles and respect for minority rights. And we intend to implement them.''

This statement was made almost a year ago at a press conference on November 20, 2006. Now, let's contrast those statements that were made and with what took place last night in the Rules Committee.

Seven Republican amendments were offered to the bill that we are about to debate, none made in order, including a bipartisan amendment offered by Mr. GARRETT of New Jersey; 13 Democrat amendments were made in order.

Now, the last time the flood insurance bill was on the floor of the House, which was in the 109th Congress, six Democrat amendments were made in order, one bipartisan amendment was made in order, and nine Republican amendments were made in order.

And if this isn't bad enough that the Republicans were denied any amendments in the bill that we have before us today, the majority also, in its rule, has waived the earmark reform rule again.

Now, yesterday when we had the SCHIP bill on the floor, there were earmarks in the bill. They weren't disclosed, they weren't outlined, and there was no way for Members to get at a debate or an amendment on those earmarks that were in this bill.

What assurances do American taxpayers have that there isn't some earmark in this bill that we have today? Because there is no list. But yet, the Rules Committee felt obliged to waive the earmark reform bill that was put in place earlier this year.

Now, the problem we have with the underlying rule is really part of the bigger problem. Last night, our Rules Committee Republicans put together a report outlining the number of closed rules that we have had in this House.

I was here in the early 1990s demanding that the minority ought to be treated more fairly. And clearly, when Republicans took majority control of this House, it may not have been everything everybody wanted, but there was more democracy in the House than what we have seen this year. And I just want to implore all of my colleagues that the American people sent us here to work together to solve the problems of this country. And yet, all year, as I have put my hand out to try to find a way to work in a bipartisan manner, it gets slapped away. That is not what the American people want of us. It is not what they deserve. And I would ask my colleagues to understand, many of you were here in the minority; you know exactly what I am talking about. It is time to be treating the minority the way you asked to be treated when you were in the minority.

I would ask my colleagues to defeat this rule, send it back to the committee, and let's do this in the fair, bipartisan way that the American people expect.

Ms. MATSUI. Mr. Speaker, I yield myself the balance of my time.

I want to point out, Mr. Speaker, the earmark rule is not waived in this rule despite the claims of my colleagues. I urge them to read page 2, lines 6 and 7, that the earmark rule specifically excludes the earmark rule from the waiver. Any suggestion otherwise is simply untrue.

Additionally, the Rules Committee took testimony yesterday on this bill. Unfortunately, some of the Members who spoke today didn't even come to testify on their amendments.

Mr. Speaker, this bill takes the National Flood Insurance Program in a positive direction. This bill takes important steps to modernize the flood insurance program. This bill has bipartisan support. It raises maximum coverage limits to keep up with inflation; it provides new coverage for living expenses if you have to vacate your home; and, moving forward, Congress is making the flood insurance program sustainable in the long run.

Mr. Speaker, these are all positive steps that allow the program to continue to provide peace of mind to those impacted when a flood event occurs.

I urge a ''yes'' vote on the previous question and on the rule.

The material previously referred to by Mr. SESSIONS is as follows:

AMENDMENT TO H. RES. 683 OFFERED BY MR. SESSIONS OF TEXAS

At the end of the resolution, add the following:

SEC. 3. That immediately upon the adoption of this resolution the House shall, without intervention of any point of order, consider the resolution (H. Res. 479) to amend the Rules of the House of Representatives to provide for enforcement of clause 9 of rule XXI of the Rules of the House of Representatives. The resolution shall be considered as read. The previous question shall be considered as ordered on the resolution to final adoption without intervening motion or demand for division of the question except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Rules; and (2) one motion to recommit.

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(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Democratic majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution ..... [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information from Congressional Quarterly's ''American Congressional Dictionary'': ''If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Ms. MATSUI. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Ms. MATSUI. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

ordering the previous question on House Resolution 682;

adopting House Resolution 682, if ordered;

ordering the previous question on House Resolution 683; and

adopting House Resolution 683, if ordered.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

## PROVIDING FOR CONSIDERATION OF H.R. 3567, SMALL BUSINESS INVESTMENT EXPANSION ACT OF 2007

The SPEAKER pro tempore. The unfinished business is on the vote on ordering the previous question on House Resolution 682, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The vote was taken by electronic device, and there were—yeas 222, nays 190, not voting 20, as follows:

[Roll No. 915]

YEAS—222

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—190

Aderholt
Akin
Alexander
Bachmann
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
King (IA)
King (NY)
Kingston
Kirk
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—20

Bachus
Carson
Cubin
Davis, Jo Ann
Doyle
Everett
Feeney
Gohmert
Herger
Hinojosa
Jindal
Johnson, E. B.
Keller
Kennedy
Kline (MN)
LaHood
Marchant
Meeks (NY)
Moran (KS)
Reyes

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1226

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Washington. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 222, nays 181, not voting 29, as follows:

[Roll No. 916]

YEAS—222

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor

Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—181

Aderholt
Akin
Alexander
Bachmann
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cantor
Capito
Castle
Chabot
Coble
Cole (OK)
Crenshaw
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Goode
Goodlatte
Gordon
Graves
Hastert
Hastings (WA)
Hayes
Heller
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
McCarthy (CA)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—29

Bachus
Brady (TX)
Burgess
Cannon
Carson
Carter
Conaway
Cubin
Culberson
Davis, Jo Ann
Doyle
Everett
Gohmert
Granger
Hall (TX)
Hensarling
Herger
Hinojosa
Jindal
Johnson, E. B.
Kennedy
Kline (MN)
LaHood
Marchant
McCaul (TX)
Meeks (NY)
Moran (KS)
Olver
Thornberry

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes left in this vote.

□ 1235

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to recommit was laid on the table.

## PROVIDING FOR CONSIDERATION OF H.R. 3121, FLOOD INSURANCE REFORM AND MODERNIZATION ACT OF 2007

The SPEAKER pro tempore. The unfinished business is the vote on ordering the previous question on House Resolution 683, on which a recorded vote was ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 193, answered ''present'' 1, not voting 18, as follows:

[Roll No. 917]

AYES—220

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—193

Aderholt
Akin
Alexander
Bachmann
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—1

Frank (MA)

NOT VOTING—18

Bachus
Carson
Cubin
Davis, Jo Ann
Doyle
Everett
Hastert
Herger
Hinojosa
Jindal
Johnson, E. B.
Kennedy
Kline (MN)
LaHood
Meeks (NY)
Melancon
Moran (KS)
Watson

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes left in the vote.

□ 1243

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SESSIONS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 188, answered ''present'' 1, not voting 23, as follows:

[Roll No. 918]

AYES—220

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Clyburn
Cohen
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Giffords
Gillibrand
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pickering
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—188

Aderholt
Akin
Alexander
Bachmann
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehner
Bonner
Bono
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—1

Frank (MA)

NOT VOTING—23

Bachus
Boozman
Carson
Cleaver
Conyers
Cubin
Davis, Jo Ann
Doyle
Everett
Hastert
Hensarling
Herger
Hinojosa
Jindal
Johnson, E. B.
Kennedy
Kline (MN)
LaHood
Meeks (NY)
Moran (KS)
Murphy, Tim
Reynolds
Smith (NE)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. There are 2 minutes remaining in this vote.

□ 1251

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 3121, and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## FLOOD INSURANCE REFORM AND MODERNIZATION ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 683 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 3121.

□ 1253

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 3121) to restore the financial solvency of the national flood insurance program and to provide for such program to make available multiperil coverage for damage resulting from windstorms and floods, and for other purposes, with Mr. COSTA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Massachusetts (Mr. FRANK) and the gentlewoman from West Virginia (Mrs. CAPITO) each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, preliminarily, I recognize myself for 1 minute just to say that I want to be very clear that I regret the decision not to allow a number of amendments offered by members of the minority to this bill. And I will give them my word that as this legislative process goes forward, I intend to seek out opportunities to give them fair consideration.

I must say, Mr. Chairman, I'm never happy when I see my colleagues on the Republican side being a little obstreperous, but when they're being obstreperous with good reason, I really find that hard to tolerate. So I did want to make clear my view and my hope that we can deal with that.

Mr. Chairman, I yield such time as she may consume to the Chair of the Subcommittee on Housing, from which this bill came forward, who has done a great job all year on this legislation, the gentlewoman from California.

Ms. WATERS. Mr. Chairman and Members, I rise in strong support of H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007. And I would like to thank my colleague from Mississippi, Mr. GENE TAYLOR, for all of the work that he has put into this issue and the way that he helped to focus my committee and the overall Financial Services Committee on this very issue.

He will be speaking today. And I don't think there is anybody who can describe what happened as a result of Hurricanes Katrina and Rita and

Wilma and what happened in the gulf coast, in particular, his district, any better than Mr. TAYLOR will do. And by the time he finishes his presentation here today, I think all of the Members will very well understand why it is so necessary that we move with a real reform bill to deal with these kinds of catastrophes.

As you know, I introduced a bill on July 19, 2007, following substantial consideration by the Financial Services Committee on flood insurance and related issues. Specifically, the committee held two hearings on June 12, one examining the issues of the national flood insurance program raised by the gulf coast hurricanes, and a second hearing on the predecessor to this bill, H.R. 1682, introduced by Chairman FRANK. Thereafter, on July 17, the committee held a hearing on related legislation, H.R. 920, the Multiple Peril Insurance Act of 2007, that was introduced by Mr. TAYLOR.

H.R. 3121 reflects this extensive committee analysis on the NFIP, wind insurance and related issues. Accordingly, on July 26, 2007, the Financial Services Committee reported out H.R. 3121 with a favorable recommendation. I hope that we're able to pass H.R. 3121 today because it makes critical improvements to the NFIP in light of the devastating lessons of the 2005 hurricane season.

In the aftermath of Hurricanes Katrina, Rita and Wilma, NFIP faced unprecedented financial and regulatory strains as it confronted approximately $21.9 billion in NFIP-insured losses. The program had to borrow in excess of $17.5 billion from the United States Treasury in order to pay claims and interest resulting from Hurricane Katrina alone.

Those of us concerned about NFIP in the wake of the 2005 storms saw the urgent need to put the program on sounder financial footing by addressing the issues stakeholders had raised around the substantial premium discounts and cross-subsidies among classes of its policyholders, outdated flood insurance rate maps, allegations of uneven compliance with mandatory purchase requirements, and questions as to the performance and efficiency of private insurers operating under the NFIP's Write Your Own program.

Additionally, the committee hearing on H.R. 920, the Multiple Peril Insurance Act of 2007, made it clear the need to address perverse incentives created by dual government and private insurance regimes when damage can be a result of wind and flood. I'm proud to say that H.R. 3121 prudently addresses these concerns.

Specifically, the bill would increase NFIP's borrowing authority to $21.5 billion from $20.8 billion, but require that it satisfy traditional criteria for actuarial soundness by phasing out discounted premiums; allow the Federal Emergency Management Agency, that is, FEMA, to increase flood policy rates by 15 percent a year, up from 10 percent; raise civil penalties on federally regulated lenders who fail to enforce mandatory purchase of flood insurance for mortgage holders; increase program participation incentives; encourage the revisions to flood maps; and starting in mid-2008, allow for the purchase of optional insurance for wind as well as water damage.

These reforms are desperately needed because, as we have seen, storms will become stronger and more intense. We need a program that can contend with the worst that Mother Nature can throw at us. Simply put, we cannot wait and let another hurricane season pass without putting the National Flood Insurance Program on solid footing.

I would urge my colleagues to support H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007.

And I thank you so very much, Mr. Chairman, for all of the time that you have put in trying to make us very credible as we relate to these reforms by not only giving us the leadership, but allowing us to hold the hearings that are so necessary to get the information that is so desperately needed to do this.

Mrs. CAPITO. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, floods are amongst the most frequent and costly national disasters in terms of human hardship and economic loss. In fact, 75 percent of Federal disaster declarations are related to flooding.

Before I discuss the merits of the legislation, I would like to talk briefly about the process that is being considered. We are debating a huge expansion of an already struggling existing Federal program, and yet we have not been able to have our amendments out on the floor to have an open and frank discussion about this.

I would like to accept the chairman's offer to continue to work on the amendments that were not allowed to be offered, and I hope that we can see democracy being served by letting everybody's voice be heard.

□ 1300

In 1968, Congress established the National Flood Insurance Program, NFIP. The program is a partnership between the Federal Government and participating communities. If a community adopts and enforces a floodplain management ordinance to reduce future flood risk to new construction, the Federal Government will make flood insurance available to that community. Today, NFIP is the largest single-line property insurer in the Nation, serving nearly 20,000 communities and providing flood insurance coverage for 5.4 million consumers.

Mr. Chairman, recent events have underscored the need to reform and modernize certain aspects of the program. While the NFIP is designed to be actuarially sound, it does not collect sufficient premiums to build up reserves for unexpected disasters. Due to the claims resulting from Hurricanes Katrina and Rita, the NFIP was forced to borrow $7.6 billion from the Treasury, an amount it estimates it will never be able to repay. Consequently, NFIP sits on the GAO's High-Risk Programs list, which recommends increased congressional oversight. Additionally, the 2005 storms shed light on the problem of outdated flood maps, resulting in many homeowners in the gulf region being unaware that their homes were located in floodplains.

To address these and other concerns in 2006, the House overwhelmingly passed flood insurance reform legislation. Earlier this year, Chairman FRANK and Representative JUDY BIGGERT introduced legislation identical to that bipartisan bill. That bill includes many reforms, including the phasing in of actuarial rates, but unfortunately, the flood insurance bill that the majority chose to move out of the Financial Services Committee was amended to incorporate legislation offered by the gentleman from Mississippi (Mr. TAYLOR) which expands the NFIP to include coverage for wind events.

Mr. Chairman, no Member of this House was more personally affected by the 2005 hurricanes than Congressman TAYLOR. I do not, and no one questions his sincerity or his commitment to assisting those who have lost everything they owned in these storms. While I share his concern over the rising costs and outright unavailability of homeowners' wind coverage in some areas, I have three principal objections to linking wind insurance to the reform of the National Flood Insurance Program.

First, expanding the program increases liabilities for taxpayers while decreasing options for customers or consumers. Properties located along the eastern seaboard and gulf coast represent $19 trillion of insured value. Shifting the risk on even a portion of these properties to the troubled NFIP could expose taxpayers to massive losses. The fact is that insurance will choose not to engage a competitor that does not pay taxes, has subsidized borrowing costs, and is not required to build a reserve surplus and is protected from most lawsuits, State regulation and enforcement.

Second, adding wind coverage to the NFIP will exacerbate the program's well-documented administrative problems. Both the Department of Homeland Security and GAO have criticized the NFIP for being understaffed, not having adequate flood maps and not collecting sufficient information on wind payments when claims were submitted for flood damage. Expanding the portfolio further before much-needed reforms are in place is premature.

Third, no consensus yet exists about the necessity or desirability of creating a Federal wind insurance program. In testimony before our committee, representatives of flood management groups, the insurance industry, environmental organizations, Treasury and

FEMA all expressed agreement that a comprehensive study of the proposed wind insurance mandate should first be commissioned to provide Congress with a better understanding of the possible implications this expansion could have for consumers, NFIP and the market.

Mr. Chairman, we must not let the desire to meet every perceived problem with a new Government program drive us towards premature actions that yield unwanted consequences. The NFIP's mission should not be expanded, exposing taxpayers to massive new risks, until reforms are in place and adequate study has been conducted.

In addition to the above reservations, I have serious concerns with the effect the addition of wind coverage will have on communities that are now relying on NFIP. This program is already financially unstable, yet we are about to add $19 trillion of risk. Despite this fiscal instability, States like West Virginia, that I represent, will still rely on the program to provide assistance in the case of serious flooding. There have not been major problems this year, thankfully, but as recently as 2001, FEMA has declared counties in my State national disasters due to flooding and provided $17 million in assistance. These are serious needs across the Nation for the flood insurance program. We should be modernizing NFIP so it can become financially stable.

Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I agree that we should have had an amendment that would have allowed us to debate whether or not to strike the wind addition. I would have vigorously defended it as I will do now.

The problem is that we now give the insured and the people who administer insurance an impossible task. It is to evacuate a home on the notice of a hurricane and to return to that home some period of time later after there has been devastation from a hurricane and decide with some degree of certainty what damage was caused by water and what by wind, because the Federal Flood Insurance Program protects against water damage. Wind damage is under the auspices of private companies. In some cases, of course, the same company would be involved, and some of the adjusters would have an interest in whether or not it was water versus wind. The more it was water, the less they would have to pay. But even aside from that conflict of interest, it is inherently difficult, in fact impossible, to decide, if you go back and there is all this devastation, was it the wind that blew the roof off? Was it the flood that did it? Was the window broken by a wind-driven projectile? It is impossible to tell. We give people this impossible decision.

Now, the way the wind program works under the bill, in the first place, it is not a complete expansion. You only would be eligible to buy wind insurance if you already have flood insurance. It will lead to no new insureds. That has to be very clear. No one who is not now taking out insurance, not just eligible, but taking out insurance, will be allowed to take this out, because it can only be an adjunct to your water policy. It is aimed at trying to avoid having this impossible arbitration between wind and water damage.

Secondly, and CBO scores it this way, it is subject to PAYGO. The mandate in the legislation is that it has to be actuarially sound. And people have said, well, the previous flood insurance program wasn't actuarially sound. True. It wasn't subjected to that statutory mandate. It wasn't subject to PAYGO.

We have in here language that mandates that the wind coverage be actuarially sound. CBO has certified, and as Members know, we don't always get from CBO what we think is the right answer, but in this case, CBO has certified that this meets PAYGO and that wind will be there.

So what we are saying is that if you already have water and you are in an area where you are likely to have a combination of wind and water, we will allow you to buy wind as an adjunct so that, and you will have to pay the going rate for it, the actuarially sound rate, but then you will avoid this terrible, intractable problem of arbitrating wind versus water.

Mr. Chairman, I reserve the balance of my time.

Mrs. CAPITO. I yield 4 minutes to one of the original authors of the bill that was presented initially to this Congress, the gentlewoman from Illinois, Representative JUDY BIGGERT.

Mrs. BIGGERT. Mr. Chairman, I would like to express congratulations to the ranking member on her taking over as the ranking member of the Housing Subcommittee.

Mr. Chairman, I have always known Chairman FRANK to never shy away from a debate. I appreciate his acknowledgement that he would have liked to have had the opportunity to debate the amendments that were not made in order. I know how concerned he was about that and it shows by his vote on the floor. So I really appreciate that. He has always been ready, willing and able to know what the opposition is and their concerns and to debate that.

Mr. Chairman, Chairman FRANK and I did introduce H.R. 1682 earlier. That was the Flood Insurance Reform and Modernization Act of 2007. That was to address the much-needed reforms to NFIP, the Nation's largest single-line property insurance provider. Unfortunately, the legislation before us today, I think, jeopardizes our commitment to enact these reforms because it does couple H.R. 1682 with H.R. 920, which is Representative TAYLOR's bill. We all know how sincere he is about this much-needed reform. But it does add wind to the National Flood Insurance Program. I really am concerned about this.

We had several hearings. Witness after witness testified that adding wind to the flood insurance program was not a good idea. At one of the hearings, adding wind to NFIP, the National Association of Insurance Commissioners, the insurance experts, environmental groups, floodplain management groups, the Treasury and FEMA all were opposed to such an expansion.

In previous Congresses, flood modernization bills virtually identical to H.R. 1682, the Frank-Biggert bill, enjoyed broad, bipartisan support. During the last Congress, the Financial Services Committee considered H.R. 4973, the Act of 2006, which the House passed by a vote of 416–4 on June 27, 2006.

But instead of embracing this approach and the recent track record of bipartisanship on NFIP, the other side of the aisle has chosen to introduce this new bill and include language that I think really threatens the passage of necessary reforms to the program. I am disappointed by this action. NFIP needs reform now, not a controversy and costly program expansion.

For the majority of its 39-year history, NFIP has been a self-funding program. However, flood insurance claims from the 2005 hurricane season have grown to almost $18 billion, a total greater than all the claims from all the other years combined. Unless the NFIP program is reformed soon, the program will face insolvency. In January, the GAO placed the flood insurance program on its High-Risk Series list, which recommends increased congressional oversight for troubled programs.

So, Mr. Chairman, it is clear that NFIP reform is needed now. Therefore, before expanding the NFIP program to include wind, we should keep our commitment to reform NFIP and move H.R. 1682 instead of the bill before us today. The administration has said that if the wind provision is included in this bill, the President will veto it. So adding wind, really, to me, is a poison pill to the flood insurance reform bill and is compromising our efforts to enact much-needed bipartisan reform of the National Flood Insurance Program.

Mr. FRANK of Massachusetts. I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I yield 2 minutes to the representative from Illinois (Mr. ROSKAM), a member of the Financial Services Committee.

Mr. ROSKAM. I thank the gentlewoman for yielding.

Mr. Chairman, have you ever walked by a construction site? When they are putting up big buildings, it is really a sight to behold. And you look down at the foundation upon which they are building. If they are building the house right, they are putting it on a foundation of absolute bedrock. As you are watching them put it together, they are bringing in large pieces of concrete and steel. They are putting it down

ever so slowly, ever so slowly, because when they finally put it down on the foundation, it is not going to move again. That is why they are very, very careful.

I think today we are missing an opportunity to build on a solid foundation. We have an opportunity to fix a failed and struggling program, and that is the National Flood Insurance Program. That is not bedrock. It is peat moss. It is very, very soft stuff. It has an $18 billion liability right now.

Unfortunately, rather than dealing with the flood component, what is happening is that an additional liability is being placed on a program that doesn't have a solid foundation. We are giving additional responsibility in this bill to FEMA without any substantive reforms of FEMA. I know that over the past years, FEMA has been subject to and receives a great deal of criticism with the way in which it conducted itself following Hurricanes Katrina and Rita.

□ 1315

I think that the lost opportunity here is a sad thing. The vast majority, not the overwhelming majority, but the vast majority of claims have been settled in the previous conflict, and now here we have got the chance to fix the flood program. My district wants a flood program that is dynamic and vibrant and solvent and based on a good foundation.

As was previously mentioned, the GAO has put the NFIP on a watch list, and yet we are entrusting the NFIP with the new responsibility. That we ought not do.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR. I want to thank Chairman FRANK, Chairwoman WATERS, Chairman MEL WATT, the Democratic members of the Financial Services Committee for bringing this incredibly important bill to the floor.

Mr. Chairman, a little over 2 years ago, the Nation's worst disaster hit a number of places, including the district I have the privilege of representing. An unprecedented number of homes were destroyed, including my own. As the crow flies between my house and Senator LOTT's house is 40 miles. As inconceivable as it may be, in that 40 miles between our houses, only a handful of houses within several blocks of the Gulf of Mexico remained.

A number of things occurred after that storm, most of them good. People in south Mississippi pulled together. They did what they could to take care of themselves. People from all over America came to our assistance. Congressman GILCHREST's district raised something in the neighborhood of $40,000 to $50,000 for the people of my district, as well as the people of St. Mary's County. There are so many of these things, that I can't enumerate them all. The people of St. Mary's County sent down three truckloads of Christmas presents to kids who lost everything.

To this day, there are still young volunteers and not-so-young volunteers from all over the country who come down there trying to help people rebuild their lives. About the only group that didn't try to help the people of south Mississippi is the insurance industry. You see, within days of the storm, the insurance industry issued a memo to their employees that said whenever wind and water occur concurrently, blame it all on the water.

Mr. Chairman, the United States Navy has modeled what happened that day in Mississippi, and the United States Navy tells us that for 4 to 5 hours in south Mississippi we had hurricane force winds before the water ever got there.

Under the National Write Your Own program, we count on the private sector for two things: we count on them to sell the policy, and that way our Nation does not have the administrative expense of having a sales force. But we also count on them to adjudicate the claim fairly. Those things that are wind, say the wind did it, and they have to pay. Those things that are attributed to water, you can blame it on the flood insurance, and the Nation pays.

Within days of the storm, State Farm and other companies had issued the following e-mails to their employees: Where wind acts concurrently with flooding to cause damage to the insured property, coverage for the loss exists only under flood coverage.

So, on one hand, they have a contract with the Nation that says we are going to pay if it's wind damage, the Nation is going to pay if it's flood damage. They get to adjust the claim. We don't have a Federal employee following them around. The total discretion to make this claim is with the private sector.

Put yourself in the position of that 25-year-old claims adjuster. You're looking for your Christmas bonus; you're hoping for a promotion. You can walk on that property and say what is fair, that, yeah, there was wind and there was water, or you can be a company man and you can follow the memo from company headquarters and blame it all on the water and stick the taxpayer with the bill. That is not fair to the taxpayer right off the bat, and it's not fair to the citizens.

Let me further clarify this, and I have kind of become an expert at it the hard way. Every homeowner's policy has something in it called ''Cost of Living Expenses,'' and that is if your home burns down tonight, and you have got a homeowners policy, they will pay to put you up until they fix your house. But if they deny the claim, they don't put you up.

The President came down shortly after the storm and said, you know what, if you have lost your house, or if your house is substantially damaged, we are going to get you a trailer to live in. They assigned, just in south Mississippi, 42,000 trailers; one for every family of five, $16,000 per trailer.

Then they gave another contract to an outfit called Bechtel to haul those trailers the last 70 miles, from a place called Purvis, Mississippi, down to the site where a home was, hook it up to a garden hose, plug it in, hook it up to the sewer tap. It worked out where that company got another $16,000 just for doing the very simple thing that grandmoms and grandpops and moms and dads do every weekend, which is called hooking up a travel trailer.

We are now up to $32,000 per trailer, times 42,000 times, because they decided they weren't going to pay on their homeowners claims, that the Nation would pay. Now, you can come to this floor and defend that, but I don't think you can.

So the individual who had a homeowners policy, because if you live in hurricane country, and this has happened three times in my lifetime, it's the only time I lost my house, but three times in my lifetime I have seen terrible storms. You don't know if it's going to be more wind than water or more water than wind. So you buy both policies, with the idea if I get flooded, I've got a flood policy. If it's wind tearing my roof off, I've got a wind policy. You have both.

As the chairman pointed out, our Nation spends a fortune to have hurricane hunters fly into these storms. Our Nation spends a fortune to put satellites that track storms into space. Why do they do that? To give people warning so that they don't die in the storm. Our sheriffs departments and police chiefs did a wonderful job: get the heck out of here, this is going to be a bad storm. So the logical people and the people who weren't hard-headed got the heck out of there. We lost a rocket scientist. I am certainly not going to say that man was dumb, but he built what he thought was a hurricane-proof house. He died in that hurricane-proof house.

The point is that the few folks who stayed behind almost all died, but the few folks who stayed behind had their claims paid because they could sign an affidavit and say I saw my roof fly off before the water got there, I saw my windows fly in. And, by the way, I was 10 miles inland that day and the windows in my brother's house flew in. The insurance companies paid wind claims in all 82 counties of Mississippi, all the way to Memphis, Tennessee; but they are somehow trying to convince this Congress that the wind somehow miraculously leap-frogged over the coast and they shouldn't have had to pay where it hit first.

Mr. Chairman, what we are trying to do with this is tell the people of America, the 52 percent of the people that live in coastal America, that if you build the house the way you should, if you pay your premiums, if you buy this additional coverage, if your house is destroyed in the course of a hurricane

or substantially damaged in the course of a hurricane, you don't have to be there with a video camera to record whether it's wind or whether it's water. You paid your premium, you built it right, you are going to get paid.

One of the gentlemen mentioned that the insurance companies have settled 90-something percent of the claims. Let me address that.

I was pretty busy, as you might guess, after the storm. I put off meeting with my adjuster for 2 weeks. By the time I met with my adjuster, I had heard dozens, if not hundreds, of my constituents as I am going around passing out MREs, told me, ''They already told me they are not going to pay me. I had a homeowners policy. They are not going to pay me.''

So by the time they came to my house, I asked my agent, Please don't say a word. Each one of my steps is about 3 feet. Let's just count the steps until we find my roof. We paced off about 150 of them, 450 feet. I showed them my roof and pointed out it was tin. I reminded them that tin doesn't float. I showed them the holes where it had been ripped through the bolts.

I said, This is my roof. I am the only guy in this neighborhood that has this style roof. This is my roof, and it is 450 feet from where my house used to be. Now let's walk back to where my house used to be. Miss, what do you have to say? This to the claims adjuster.

The first words out of her mouth, I see no evidence of wind damage. We are, however, prepared to pay your flood claim. To which I reminded her that was very sweet of State Farm. That is not their money; that is the Nation's money. What about the claim for that roof that flew over there?

What we are trying to do with this is prevent the need for my constituents, your constituents, anyone who lives in coastal America, to have to stay behind with a video camera to record the destruction and possibly die with these claims. If you build it right, if you pay your premiums, then you get paid. Pretty simple. Under the PAYGO rules of this House, it will pay for itself. It has to. It is written in the law.

Lastly, we quit putting the insurance companies in a position where they can bilk the taxpayers for billions of dollars. What some of you may not know, something I will be entirely grateful for, is because so many homeowners claims weren't paid in south Mississippi of people who lived outside the floodplain, who had homeowners insurance but didn't get paid, in one of the appropriations bills after Katrina, $4 billion in taxpayer dollars was included to pay those people's insurance claims. The taxpayers paid for what State Farm, Nationwide, and Allstate should have paid.

So when people say this is some sort of raid on the Treasury, I see it as just the opposite. This is creating a program where the Nation won't have to ride to the rescue next time because people will have bought insurance ahead of time, in a program that pays for itself, in a program that says if you built it right, if you pay your premiums, an act of God destroys your house, you are going to get paid.

I can't think of anything that is more fiscally responsible. I can't think of anything that is more right for the citizens. And I would remind my colleagues that the National Association of Homebuilders, the National Association of Realtors, and the National Association of Bankers, when given the opportunity to look at this bill in its totality, have endorsed this bill as it is written, including the wind versus water language to allow people to buy all-perils insurance.

I thank the chairman for his leadership on this. No one can say they have been blindsided on this issue. The hearings on this issue began in January. The debate on this issue started the week after the storm. There has been ample opportunity for people to weigh in on this issue.

I very much thank again the chairman, Ms. WATERS, Mr. MEL WATT, for the opportunity to bring this to the floor and the opportunity to right an egregious wrong against the American people.

Lastly, I would like to remind people that even with Katrina, the insurance industry made $42 billion in profits the year of Katrina. So while they are simultaneously telling their employees, don't pay the individual, while they are sticking the bill to the citizen, if you have any doubt in your mind why flood insurance lost so much money, it is because they made so much money that year. We are trying to correct that. I hope you will help us.

Mrs. CAPITO. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. BARRETT).

Mr. BARRETT of South Carolina. I thank the gentlewoman for yielding.

Mr. Chairman, I appreciate that many homeowners around the country require affordable insurance against natural disasters. However, I also know that the Federal Government cannot afford spending at the excessive levels we are spending at. By expanding the National Flood Insurance Program, the NFIP, H.R. 3121 would put the Federal Government on the hook for even more billions of dollars.

Coming from a State prone to hurricanes, I am sensitive to those needs and to those who live in high-risk areas for natural disasters. But it would be irresponsible for the Federal Government to expand its program without fully understanding the repercussions. Unfortunately, many Americans will likely once again find themselves affected by devastating natural catastrophes such as hurricanes. The NFIP already owes the Department of Treasury around $18 billion, and it is unlikely that they will ever be able to repay this amount; $18 billion.

So should we now increase the NFIP's exposure, thus increasing the Federal Government's liability, by expanding this program to include wind insurance? To do so would be unfair to the taxpayers who would be stuck with this bill, Mr. Chairman.

□ 1330

Expanding this already distressed program will increase the Federal Government's liability, and will almost definitely increase government spending on a huge scale while crowding out private insurance markets.

Therefore, I urge my colleagues to join me in voting against H.R. 3121, the Flood Insurance Reform and Modernization Act.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 4 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I thank the gentleman for yielding me this time and permitting me to speak, and for the hard work he and his committee have invested in this.

Mr. Chairman, the area of flood insurance is one that I have been focusing on over the last half dozen years. I was pleased to work with our former colleague, Doug Bereuter, with Chairman FRANK and with then-Chairman Oxley on some serious flood insurance reform that predated the most recent disaster with Katrina. During that time, I had a chance to learn a lot about opportunities that the Federal Government has to alter its programs and policies to reduce this long-term exposure, and to think about the redesign of the partnership between the private sector, the State and local governments.

While I appreciate my friend from Mississippi's tenacity in zeroing in on an area of very serious problem dealing with wind damage, and he has documented in great detail the almost impossible situation that many of his constituents and others in the Hurricane Katrina area have faced, I am trying to keep an open mind in terms of how far we go along the lines in terms of expanding it to add wind damage.

I don't think that we have seen the end of this process. I am looking forward to working with my colleague on the legislative process as it moves along. I am deeply concerned that we haven't come to grips with the financing of our flood insurance program. We are looking at upwards of $20 billion, and we are slowly having some actuarial balance added to these programs; but, it still lags. Not only is there a problem of not having actuarial balance to be able to provide the sums that are necessary to maintain this as a self-supporting program, because as it stands now, that is going to be a stretch. It is going to take a long time without serious incident for us to get there.

I am also concerned that we need to do a better job of making sure that the Federal Government and State and local governments aren't putting more people in harm's way. In too many areas we have seen that there has been,

shall we say, reluctance on the part of local authorities and State authorities to be rigorous in making sure that we are not pouring large sums of public investment in areas where it is encouraging people to locate in places where we know there is going to be damage over time.

Last but not least, later in this debate we will be talking about working with FEMA to make some adjustments to take into account global warming, climate change and rising sea levels, because this is an area that is going to compound lax local land use controls and unsteady development processes that is going to end up creating a disaster out of our disaster relief.

I can't say enough about how much I appreciate the committee's willingness to be involved in an area that some think is esoteric, that is sort of mundane, that is sort of too detailed and unexciting. But it is precisely that sort of attention that is going to make us have a stronger program that is going to meet the needs of people and is going to do so in a way that actually helps keep people out of harm's way, which ought to be our ultimate objective.

We ought to make sure that all of these forces save money, save lives and protects the environment. I think this legislation moves in that direction. I look forward to working with the committee as this legislation works its way through the legislative process to better achieve that goal.

Mrs. CAPITO. Mr. Chairman, it is my pleasure to yield 3 minutes to the gentlewoman from Florida (Mrs. GINNY BROWN-WAITE).

Mr. FRANK of Massachusetts. Mr. Chairman, I yield an additional minute to the gentlewoman from Florida.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I thank the gentlewoman for yielding me this time.

I rise to engage my good friend Chairman FRANK in a colloquy concerning the bill.

Mr. FRANK, as you recall during the committee process before we actually marked up H.R. 3121, my Florida colleagues and I raised some serious questions and concerns over expanding the flood program to cover wind. We are concerned that while this expansion may help some in areas of the United States, we were uncertain whether it would hinder some States like Florida that tend to be excluded from the national insurance market.

You will remember Representatives FEENEY, PUTNAM and I introduced an amendment that struck the provisions expanding NFIP to cover wind losses. The amendment put a GAO study in its place to give members in the department time to vet this issue further. Unfortunately, the amendment did not pass the committee, but you and I asked for a GAO study very similar to the one included in the amendment.

You and I have worked closely on issues in the past, and I know that you are a man of your word and you have always given those of us with differing thoughts an opportunity for ample discussion and consideration.

I am hoping today to get your word that when the GAO study is released in April, that the committee and the regulators will take into serious consideration their findings. For example, some of the questions we asked were whether consumers would be able to purchase wind and flood policies at sound, actuarial rates; whether FEMA had staff available and was prepared to administer such an expansion; and how much an expansion of this nature would expose taxpayers to future losses. Those and other questions that were posed, they are tough questions that GAO will be responding to.

But I hope I have your commitment that the Committee on Financial Services members who support an expansion and the regulators listen and respect the findings, regardless of the outcome. I would ask for that commitment, Mr. Chairman.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentlewoman yield?

Ms. GINNY BROWN-WAITE of Florida. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I must say, Mr. Chairman, the gentlewoman asks for my word, and I am tempted to assume a cultural pose which I haven't always had and simply say, ''Word.'' But I am not sure that is still in vogue. I'm sometimes behind in my fashionableness.

I will say this to the gentlewoman; she has been very constructive and we have been able to work together on this and other matters, including on the most recent legislation involving floods. Certainly I will do everything I can to see that this is given very serious consideration.

Now I should add, the recommendations may mean a curtailment of the program or an adjustment of the program. If the argument is that FEMA is not well structured, the response might be to try to improve the structure of FEMA. But I take this report very seriously. So she has my word that we will take this very, very seriously. In fact, I would say when we get the report, the first thing we will do will be to have a hearing on it and then go from there.

Ms. GINNY BROWN-WAITE of Florida. I look forward to continuing this ongoing work relating to the NFIP program.

Mr. FRANK of Massachusetts. Mr. Chairman, I have no further requests for time, and so I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I yield 2 minutes to Mr. GILCHREST from Maryland.

Mr. GILCHREST. Mr. Chairman, I thank the gentlewoman for yielding, and thank Members on both sides and staff for working on this vital issue.

I want to take a minute or two to tell the Members that there will be an amendment coming up during the amendment process offered by Mr. BLUMENAUER and myself to deal more effectively with how the Federal Government determines taking into consideration future effects of climate change on the American taxpayer and homeowners. I would urge all of my colleagues to vote for the amendment.

The amendment does basically two things: Are we, as a Federal Government, providing incentives to put more people in harm's way in coastal areas and are we adding cost to the Federal taxpayers as a result of that; and are we incentivizing ecological degradation?

I say that because there are maps on coastal areas and there are maps on flooding and there are maps on predicting storms that are all based on history. Nothing is projected into the future with an understanding of what global warming is going to do.

Let me tell you how it has impacted my district in the Chesapeake Bay. Poplar Island for decades was a popular place for many people in Maryland, including Presidents of the United States. It was 1,500 acres. It is now 5 acres as a result of sea level rise. We are now restoring that island with dredged material.

Holland Island, 350 people lived on Holland Island. It was 5 miles long and a mile and a half wide. It is down to 100 acres today, and nobody lives on Holland Island.

Barren Island was 582 acres. It is down to 120 acres now.

Areas in my district, Blackwater Refuge, for example, in Dorchester County, loses 120 acres a year due to sea level rise and exacerbated erosion problems.

It is not taken into consideration by the Federal Government, by FEMA, or anybody else, to project those natural causes that are occurring right now. In the Chesapeake Bay, sea level used to rise 3 feet every 1,000 years. In the last 100 years, it has risen a foot and a half. It is important for us to take these things into consideration.

I urge Members' vote on Mr. BLUMENAUER's amendment when we come to that point in the debate.

Mrs. CAPITO. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. HENSARLING), a member of the Financial Services Committee.

Mr. HENSARLING. Mr. Chairman, I thank the gentlewoman for yielding me this time.

I listened very carefully to the gentleman from Mississippi, and he may recall that I went to his hometown and I saw what was left of his home. I saw that devastation and I spoke to those people firsthand.

Although my family didn't feel quite that devastation, my in-laws lived in New Orleans and their home was severely damaged in Hurricane Katrina. My father-in-law was in the New Orleans Convention Center when all of the violence broke out. That is something that my family knows about, so I know there has been a lot of pain in that community. And I have no doubt that

the Federal Government, which has already rendered over $100 billion of taxpayer aid, can do more good; but I fear, I fear this is not the solution.

Now I look at the legislation and I understand it is designed to be actuarially sound. I understand that the taxpayers aren't supposed to have to pay more. I understand that factory worker in Mesquite, Texas, in my district, who generously gave to help fellow Americans in their time of need, he has come to me and said, ''Congressman, I want to be helpful, but tell me we don't have to do this again.''

Congress can't outlaw hurricanes, but what do we do to make sure that he doesn't have to pay again.

So now we have a program that is not actuarially sound. It was designed to be, but it is not. So on the coverages that we have, and I will admit under the chairman's leadership there have been a number of reforms put into the program that I support, but we are increasing coverages. We are upping coverages. We are adding wind on top of a program that already owes the taxpayer $20 billion that they have no way to pay for whatsoever.

I would note, we had other insurance programs that were supposed to be financially sound: Social Security, which now is a long-term deficit of $8.9 trillion; Federal Pension Benefit Guaranty Corporation is supposed to be fiscally sound, running a deficit of $18 billion, off-balance sheet liability of $73 billion. We have already talked about the National Flood Insurance Program, Federal crop insurance, Medicaid. I could go on and on.

Mr. Chairman, I have no doubt again that the people on the gulf coast continue to be in need. But we were told a little earlier this week, I believe by our Speaker, this is supposed to the Congress of the child. Well, let's look at the future of our children. When you look at the spending of the Federal Government already, we know that Chairman Bernanke has said, ''Without early and meaningful action, the U.S. economy will be seriously weakened, with future generations bearing much of the cost.''

□ 1345

That's just with the government we have today. The GAO has said we're on the verge of being the first generation in America's history to leave the next generation with the lowest standard of living due to all of this spending. This program makes it worse. It must be rejected.

The CHAIRMAN. The gentleman from Massachusetts has 3½ minutes remaining. The gentlewoman from West Virginia has 8 minutes remaining.

Mrs. CAPITO. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. MCHENRY).

Mr. MCHENRY. Mr. Chairman, I thank my colleague from West Virginia for yielding. The ranking member is very generous with yielding.

I want to thank the committee chairman, my colleague from Massachusetts, for having an open and fair process in the committee. We had a number of amendments through that whole process that were vigorously debated, and there was a lot of discussion about continuing that vigorous debate on the House floor to work out some compromises, and the committee Chair honors his word in committee. I want to thank him for that.

Unfortunately, the Rules Committee did not allow these amendments to come forward to the House floor, and that is a great shame. I think the work product coming off this House floor will be less than it could have been had we had an open and fair process here on the House floor.

It is obvious and true that the National Flood Insurance Program is already in deep trouble. It's $18 billion in the hole. Since 1981, over the last 26 years, it's borrowed from the Treasury 14 times, $18 billion in the hole. Certainly it needs reform.

I think the underlying reforms for flood insurance in this bill are appropriate and good, and I appreciate the chairman of the committee, and I appreciate my colleague from Massachusetts accepting my amendment in the committee that says that new and renewing multi-peril policies shouldn't be extended in a time when the National Flood Insurance Program is borrowing from the Treasury. I think that's proper, and I appreciate him accepting that in this bill.

But overall, this addition of wind will actually step into the private sector and private market that is largely working and has largely worked for the last 100 years in this country. There have been a number of failures, and that is on occasion what happens; but with the private sector, it can be done on an actuarially sound basis.

What we're doing under this bill by adding a wind proposal is exposing the taxpayers to tens of billions of dollars' worth of additional unfunded liabilities, and that's why I'm going to have to sadly vote against this bill.

I urge my colleagues to vote ''no.''

Mrs. CAPITO. Mr. Chairman, I yield 2½ minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Chairman, I thank the gentlewoman for yielding the time, and I want to talk a little bit about my own background.

I was in the insurance business for 13 years, worked strictly on commission. I was a broker, which meant I worked for the buyer, helping them find the best quality insurance in the insurance marketplace. I also represent the entire coast of the State of Georgia. I've been involved in flood insurance and wind storm insurance and fire insurance a great deal of my adult life. So I'm very familiar with this. In fact, I'm the only CPCU in Congress, which means Charter Property and Casualty Underwriter. That's a professional designation. I know this stuff is my point.

Now, what you have with the insurance business is you have two types of profits, one they make from underwriting. They don't want to insure a building if they know it's going to burn down because they won't make an underwrite profit. Fair game. They do everything they can to make sure the building does not burn down.

They also make a second kind of profit called investment profit. When they get the cash flow from premiums from underwriting, they invest it and they make a lot of money in that. But generally speaking, insurance companies are risk averse. They don't want to insure wind if you're on the coast. They don't want to insure flood if you're in a flood zone. It makes sense from a business standpoint.

But as they will gladly cede this to the Federal Government, then what happens is exactly what Mr. MCHENRY said: you have the private sector pulls out of it. They don't put in their ingenuity to it.

Now my friend Mr. TAYLOR, and I know having represented coastal areas, it is possible that there are a lot of buildings and homes that have been constructed that probably shouldn't be there or probably shouldn't use the construction standards that they should, I know as I go over the entire district of Georgia on the coast that people in Idaho and Iowa and Maine are subsidizing the flood policies for my homeowners out there.

It's hard to say this is politically unpopular, but it is the truth. I just want to say that the insurance companies need to own up to their social responsibility. They don't need to take a walk on this.

The Federal Government is already supplying health care, retirement benefits, transportation benefits, food, drugs, even school uniforms and babysitting. Yes, there are programs for that. I don't believe the Federal Government needs to get into the wind storm pool in a major way. We need to let the private sector continue to provide this service, and we need to look ourselves in the eye and say maybe not all these buildings should be built.

I urge a ''no'' vote on this.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 2 minutes to take up the suggestion of the gentleman from Georgia. He said that the insurance companies should be required, I guess, to live up to their social responsibility. I agree.

The committee of which I'm the Chair has the jurisdiction on that; and if he has any recommendations about what we can do, I'd be glad to do it, but not in that way right now.

Mr. KINGSTON. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Georgia.

Mr. KINGSTON. If they want to make a profit from it, then we should not let them take a walk from it. They will figure out a way to do it.

Mr. FRANK of Massachusetts. It is not in our power to tell them not to take a walk. They are a private sector

entity. So unless there was to be some legislative change, there's simply no power, particularly at the Federal level, because insurance has historically been a State issue; but when the gentleman says we shouldn't let them walk away, I might be inclined to agree with that.

There's nothing in the Federal Government now that would allow us to stop them from walking away, and our committee is available if anybody has any proposals to increase the role of the Federal Government, and I yield to the gentleman.

Mr. KINGSTON. Keep in mind, we did not even have a flood program until recent times. The underwriter will take care of it.

Mr. FRANK of Massachusetts. I'll take back my time to say that's irrelevant. We weren't talking about the history of the flood program.

The gentleman said we shouldn't let the private companies walk away from their social responsibility. I wish he would tell me how he thinks we can do that. I will be glad to yield to the gentleman if he wants to get back to the subject, but not when I'm still posing the question, because he apparently didn't understand it.

He said if they're not living up to their social responsibility, we should make them do it. I don't know how we can do that. If he wants to suggest to me new powers it would seem to me for us to take to do that, I'll listen.

I yield to the gentleman.

Mr. KINGSTON. Let me say this, we were not in the Federal flood insurance program until recent times.

Case in point, I used to sell flood insurance; but when the Federal Government grew into it, the private sector withdrew from the market.

Mr. FRANK of Massachusetts. I will take back my time, Mr. Chairman, to say that simply isn't accurate today. Others know it better than I, but we've had insurance companies withdrawing from offering policies that are not covered by Federal flood insurance. The Federal Government covers only flood insurance.

So I would repeat to him, his history is interesting; but he says we shouldn't allow them to walk away, and I don't know any way we can prevent them.

Mr. Chairman, I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I yield 30 seconds to the gentleman from Georgia.

Mr. KINGSTON. Let me say this, I would love to continue this dialogue and that's why we wanted some amendments so that we could try to work out some of these differences.

But in your great State, in Massachusetts, in Boston or in Savannah, Georgia, historically very old communities, there weren't Federal programs that did the underwriting. These were all built by the private sector.

What I'm saying is if you just step back and let the market do its place, the market will continue to work wonders as it did for hundreds of years in the United States of America until the Federal Government let them start taking a walk by providing products that competed with the private sector.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute to say that simply isn't true. That's not the causality.

The notion that it was the Federal Government trotting them out is simply not accurate, and again, the phraseology of the gentleman is not that we should allow them to do it, we shouldn't let them walk away. I don't know any way to not let them walk away.

Mr. Chairman, I yield the balance of my time to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR. Mr. Chairman, I'd like to remind the gentleman from Georgia that what this is all about is getting the companies to live by their contract.

Thousands of my constituents, including one of the most powerful Members of the United States Senate and a Federal judge, had to hire lawyers and engineers to get fairness from their insurance companies. If they're going to do that to a powerful Senator or if they're going to do that to a Federal judge, what kind of chance does a schoolteacher, a chief petty officer, a high school football coach have?

The fact of the matter is they have not lived up to their responsibilities. That's what brings this bill to the floor today.

Mr. KINGSTON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman from Georgia.

Mr. KINGSTON. Because as I understand it, TRENT LOTT lost a family home that was like 100 years old or something in Mississippi. There was no Federal insurance program of any nature when that house was built, which is my point for Boston and for Savannah, Georgia. All of those old buildings never had any Federal insurance programs: fire, flood or windstorm or anything else.

And what I'm saying is I agree with you. They are not pleasant to work with, and I understand and I want to commend the gentleman for his great work on this. But the reality is, if the Federal Government steps in, the private sector will move out.

The CHAIRMAN. The gentleman from Massachusetts' time has expired. The gentlewoman from West Virginia has 3 minutes to close.

Mrs. CAPITO. Mr. Chairman, I yield the remaining time to close to someone who has lived and breathed this issue for many, many years, an expert in the area, the gentleman from Louisiana (Mr. BAKER).

Mr. BAKER. Mr. Chairman, I thank the gentlewoman for yielding and wish to quickly say as a Louisianan, obviously I am a defender of the flood insurance program.

I want to commend Chairman FRANK for his willingness to work with us and all affected parties in crafting a flood insurance program reform which I thought was a very good product. It was only with the addition of the wind exposure element to the underlying bill that I began to have any concerns about the legislative direction of the chairman's recommendation.

Currently, the notional value of flood insurance in effect, just flood, not to confuse with wind, today is $1,092,932,778,000 as of a June 30 FEMA report. That's the potential exposure of the flood insurance program to claims pursuant to contract.

We know that the current flood program with the actuarial system in place cannot repay the debt it currently has. To put into scale what the additional risk brought onto the U.S. Government books will look like, the industry estimate from New England to the gulf coast only is an additional $19 trillion of risk exposure.

The limits in the bill that have been described is it's only available where you can buy flood insurance. We sell flood insurance in New Mexico. We sell it in Boulder, Colorado, and we sell flood insurance in Guam, and the entry to the wind program is to buy the flood policy, so that we will, in fact, nationalize wind insurance coverage via the flood program, opening the U.S. taxpayer to a risk and a payment for which there is not an adequate stream.

Some say, well, the bill requires actuarial rating. The flood insurance program has actuarial rating, but it's not industry actuarial. It only looks to historical claims data. There's no risk modeling to look forward.

Those who have laid claim to the fact that weather cycles are more severe, damages are likely to escalate, that is not data which is incorporated into the flood insurance premium structure. So there will be problems with the implementation of the program as currently drafted.

Am I suggesting we do nothing? Absolutely not. Do I think that the current system is adequately taking care of the risk of those who live along coastal areas? Of course it isn't.

I have legislation which I am planning to introduce and hoped to have had introduced before consideration of this bill on the floor which will enable the issuance of a privately issued policy, multi-peril; but it would be exempt from State price controls.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. His point about the flood insurance not being actuarially sound is right; but in this bill, because it is subject to PAYGO, we have a more stringent standard. So it is not totally valid to say, oh, look, it was supposed to be actuarially done. The wind program here is written to a much stricter standard.

Mr. BAKER. If I may reclaim, I would only make the observation that both flood and wind have access to a

line of credit. The line of credit is not conditioned for flood only. Therefore, the taxpayer does have exposure to the limit authorized by statute, which is $20.8 billion.

Mr. FRANK of Massachusetts. But not according to CBO, I would say to the gentleman.

Mr. BAKER. Well, we have a dispute.

Mr. FRANK of Massachusetts. Mr. Chairman, I submit the following exchange of letters regarding H.R. 3121.

NATIONAL ASSOCIATION OF REALTORS®,
*Washington, DC, September 26, 2007.*

HOUSE OF REPRESENTATIVES,
*Washington, DC.*

DEAR REPRESENTATIVES: On behalf of the more than 1.3 million members of the National Association of REALTORS® (NAR), I ask for your vote in favor of H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007, when it is considered by the House of Representatives on Thursday, September 27.

The National Flood Insurance Program (NFIP) offers essential flood loss protection to homeowners and commercial property owners in more than 20,000 communities nationwide. The bill, as written, will help protect homeowners, renters and commercial property owners from losses sustained from flooding. NAR strongly supports the following changes to the NFIP contained in the bill including:

Extending the NFIP for five years;

Ensuring that the 100-year flood maps are updated as expeditiously as possible;

Increasing coverage limits to $335,000 for residential and $670,000 for commercial properties;

Supporting education of tenants about the availability of flood insurance while providing flexibility to property owners and mangers in the manner of providing such notice;

Adding coverage for living expenses, business interruption, and basement improvements;

Extending the pilot program for mitigation of severe repetitive loss properties; and

Studying the impacts of eliminating subsidies on homeowners, renters and local economies.

It is critical that flood insurance remain accessible for all individuals who own or rent property in a floodplain. I urge you to vote in favor of H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007, on Thursday.

Sincerely,

PAT V. COMBS, ABR, CRS, GRI, PMN,
*2007 President, National Association of Realtors®*

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NATIONAL ASSOCIATION OF HOME BUILDERS,
*Washington, DC, September 26, 2007.*

HOUSE OF REPRESENTATIVES,
*Washington, DC.*

Dear REPRESENTATIVES: On behalf of the 235,000 members of the National Association of Home Builders (NAHB), I am writing to express our support for H.R. 3121. the Flood Insurance Reform and Modernization Act of 2007 as amended by the Manager's Amendment. which includes much-needed technical improvements to the underlying bill.

As you know, Hurricanes Katrina, Rita and Wilma radically disrupted the lives of those living on the Gulf Coast. After the storms' passing, many homeowners found themselves in dispute with their property insurance companies over whether water or wind was the primary cause of damage to their homes. After much debate, one proposed solution which has emerged to address this conflict is to expand the authority of the National Flood Insurance Program (NFIP) to include wind coverage.

NAHB is pleased that the bill incorporates new language to provide wind insurance coverage for home owners. H.R. 3121, as amended by the Manager's Amendment, would provide a needed addition in expanding the availability and affordability of property insurance in high hazard areas. Additionally, it references the mitigation requirements of consensus-based building codes as a measure to lessen the potential damage caused by a natural disaster and thus further ensure the financial stability of the NFIP.

NAHB remains concerned about the overall solvency of the NFIP, but we also view this program as not simply about flood insurance premiums and payouts. The NFIP is a comprehensive tool to guide the development of growing communities while simultaneously balancing the need for reasonable protection of life and property. The specific method Congress uses to achieve this balance could potentially impact housing affordability as well as the control local communities have over their growth and development. NAHB believes that H.R. 3121 strikes the proper balance in protecting the NFIP' s long-term financial stability while ensuring that federally-backed flood insurance remains available and affordable.

As this new NFIP expansion moves forward, NAHB encourages Congress to limit the amount of the program's fiscal exposure to ensure its financial sustainability and to require premiums for the new multi-peril coverage to be risk-based and actuarially sound. NAHB commends the work of the House Financial Services Committee in crafting legislation to preserve and enhance this important federal program, and we urge your support for H.R. 3121, as amended by the Manager's Amendment, when it comes to the House floor this week.

Thank you for your attention to our views.

Sincerely,

JOSEPH M. STANTON

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Re: Support for H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007.

*Washington, DC, September 26, 2007*

MEMBERS OF THE HOUSE OF REPRESENTATIVES,

I am writing on behalf of the members of the American Bankers Association (ABA) to express our support for H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007, scheduled to be considered by the full House later this week.

Since 1968, nearly 20,000 communities across the United States and its territories have participated in the National Flood Insurance Program (NFIP) by adopting and enforcing floodplain management ordinances to reduce future flood damage. In exchange, the NFIP makes federally backed flood insurance available to homeowners, renters, and business owners in these communities.

Losses from three large hurricanes (Katrina, Rita, and Wilma) in 2005 have left the NFIP more than $23 billion in debt to the Treasury. There is no way that the NFIP can reasonably repay this debt and provide payment for future losses under the current rate structure. The likelihood of additional flood events and resulting claims against the program make reforms vital.

This legislation would require the Federal Emergency Management Agency (FEMA) to update the flood maps, and it would provide a phase-in of actuarial rates for commercial properties and non-primary residences. ABA supports these efforts as being necessary to sustain the program over the long term.

H.R. 3121 also would increase the penalties for non-compliance in placing flood insurance, from $350 per violation to $2000 per violation. We are pleased that the legislation would provide a ''safe harbor'' for an institution which is in non-compliance due to circumstances beyond its control (such as outdated mapping by FEMA). We also are pleased that the legislation would provide institutions with an opportunity to correct non-compliance before a penalty is assessed and place a reasonable limit for total penalties per institution/per year.

We urge you to support this important legislation.

FLOYD STONER,
*Executive Director, Congressional Relations & Public Policy, ABA.*

Mr. PAUL. Mr. Chairman, Madam Speaker, I am pleased to lend my support to two amendments to H.R. 3121, the Flood Insurance Reform and Modernization Act, that will help those Americans, including many in my congressional district, at risk of increased flood insurance premiums because of actions of the Federal Emergency Management Association (FEMA). FEMA is demanding that many towns and communities spend thousands of dollars in taxpayer money to certify levies and other mitigation devices. If the levies are not certified to FEMA's satisfaction, the residents of those communities will face higher flood insurance premiums. Many local governments are struggling to raise the funds to complete the certification in time to meet the FEMA-imposed certification deadlines.

Several communities in my own district have been impacted by these requirements. My office is working with these jurisdictions and FEMA to establish a more reasonable schedule for completing the certifications. My office is also doing every thing it can to help these local jurisdictions fund these projects. Unfortunately, even though there is never a shortage of available funds for overseas programs, there are no funds available to help countries comply with this new federal demand.

While FEMA has thus far been willing to cooperate with my office and the local officials in providing extensions of deadlines for certification, there remains a serious possibility that many Americans will see their flood insurance premiums skyrocket because their local governments where unable to comply with these unreasonable federal demands. In some cases, people may even loose their flood insurance completely.

The amendments offered by Mr. CARDOZA of California will help alleviate this problem by providing a five-year grace period for homeowners whose flood insurance coverage is affected by decertification of a levy. During this five-year, these homeowners would receive a 50 percent reduction in flood insurance premiums. Another amendment, offered by Mr. GREEN provides a five-year phasing in of any changes for flood insurance premiums for low-income homeowners impacted by the updating of the flood maps. These amendments will benefit my constituents, and all Americans, whose flood insurance is endangered by FEMA's certifying requirements, and I hope my colleagues will support them. I also hope my colleagues will continue to work to help those communities impacted by the new mitigation requirements.

Mr. BILIRAKIS. Mr. Chairman, I rise today in support of H.R. 3121. This bill, the Flood Insurance Reform and Modernization Act, takes important steps towards bolstering the protection provided to homeowners in disaster-prone

areas who face a constant threat of flood and windstorm damage.

Nearly all of my constituents and my fellow Floridians fall into this category. In Florida, especially, H.R. 3121 will help to ease the homeowners' insurance crisis that grows worse everyday.

Expanding the federal flood-insurance program to include wind damage simply makes sense. Those who have their homes flooded are often in the path of destructive storms that wield powerful winds.

Common sense would dictate that if we are seeking to help protect homeowners from the liability that comes from destructive natural disasters like hurricanes, we would consider all of the forces of nature associated with these storms.

Instead of arguing today why we should include wind damage into this program, the discussion should rather be about why we have gone for so long without it.

While I understand the costs associated with this bill are an issue with some of my colleagues, the cost of doing nothing is much greater.

Many of the homeowners in my District, in the State of Florida, and in disaster-prone areas throughout the United States spend each day staring down the barrel of a gun—waiting for the storm to hit that will put them and their families on a path to financial ruin.

We have a chance to do something about this today.

It is this body's responsibility to act in the interest and welfare of the American people. Vote YES on H.R. 3121, and vote yes to protect millions of homeowners and their families.

Mrs. CAPPS. Mr. Chairman, I rise in strong support of the Cardoza-Ross-Reyes Amendment to H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007.

This amendment will provide a 5 year grace period for homeowners who are required to purchase flood insurance as a result of new flood maps that decertify previously certified levees. During this period, homeowners would be entitled to a 50 percent reduction in their flood insurance premium while the levees are being recertified.

Recently, while updating flood maps in my congressional district, FEMA asked the Army Corps of Engineers to certify that the Santa Maria Valley levees would protect the City of Santa Maria for the next 100 years. Without the Corps' certification, much of the community will be placed in a flood zone and many of my constituents will be required to purchase expensive Federal flood insurance, something that many of them cannot afford.

The Cardoza-Ross-Reyes Amendment addresses this problem.

Since the Army Corps of Engineers completed the 26-mile Santa Maria Valley levees in 1963, the City has prospered, becoming the largest in Santa Barbara County. However, I over the years, natural deterioration of the levees has undermined their strength, leaving the community vulnerable to potentially devastating flooding by the Santa Maria River.

I am working with the City of Santa Maria, Santa Barbara County, and the area's other elected officials to restore the levees so they can be certified by the Army Corps of Engineers and, more importantly, so our community can avoid a catastrophic flooding event.

Mr. Chairman, this amendment is extremely important to my constituents. It will provide them with much needed relief in a potentially expensive time.

I urge all of my colleagues to support the Cardoza-Ross-Reyes Amendment.

Mr. HOLT. Mr. Chairman, I rise today in support of H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007.

In April of this year, severe rainstorms in New Jersey caused the Delaware River to overflow for the fourth time in the past 2 years. Each of these floods caused substantial damage to the homes and businesses of my constituents in Mercer and Hunterdon counties. After each incident I toured the affected areas and met with local officials, residents, and business owners. Two primary concerns were raised by my constituents in each of these meetings. Residents wanted to know what efforts are being made to prevent future flooding and they wanted to be assured access to the financial resources available to them.

The legislation before us today provides needed comprehensive flood insurance reform. It will address concerns of the residents in my Central New Jersey district by expanding, improving and reauthorizing the National Flood Insurance Program, NFIP, through 2013. The NFIP is federally backed flood insurance available for purchase to homeowners, renters and business owners in 20,000 communities across the nation. In order to be eligible, these communities are required to adopt floodplain management ordinances to reduce future flood damage.

H.R. 3121 will improve the NFIP by increasing and expanding access to flood insurance policies. For the first time since 1994, the bill updates maximum insurance coverage limits for residential and nonresidential properties. It will create business interruption coverage policies for business owners to better prepare them to meet payroll and other obligations after a flood occurs. Additionally, this bill makes optional coverage at actuarial rates for basement improvements and for the replacement of items damaged by flooding. It also encourages participation in the NFIP through community outreach programs.

This legislation will help protect consumers and ensure that homeowners who should have flood insurance have it. H.R. 3121 increases the fines on lenders who do not enforce the mandatory flood insurance policy purchase requirement for those who live in a floodplain and hold a federally-backed mortgage. It will also clarify the disclosure requirements for flood insurance availability and require plain language information on flood insurance policies. It removes the current $500,000 per apartment building insurance cap and will allow each unit in the building to be insured for its total value. It requires landlords to notify their tenants of contents coverage availability. Further, the bill makes flood insurance effective immediately upon purchase of a home.

Not only does this bill work to ensure that insurance coverage is available to those who need it, it will help us to find better ways to prevent flooding in the future by requiring the Federal Emergency Management Administration, FEMA, to map the 500-year floodplain. It also makes the updating and modernization of flood maps an ongoing process, and increases funding for mapping. According to the Delaware River Basin Commission which works on issues relating to the Delaware River, updated floodplain maps will allow us to better predict areas that are vulnerable to flooding and identify ways to prevent floods from happening.

I urge my colleagues to support H.R. 3121.

Mr. BACA. Mr. Chairman, I ask unanimous consent to revise and extend my remarks. I rise to support of H.R. 3121 a bill that will modernize and reform FEMA's flood insurance program and thank Chairman FRANK and MAXINE WATERS for their leadership on this legislation.

This bill will provide long overdue and much-needed reforms to the National Flood Insurance Program, NFIP, and update the program to meet the needs of the 21st century.

Hurricane Katrina caused property damage from both wind and flooding in parts of five parishes of Louisiana, three counties of Mississippi, and two counties of Alabama.

Yet insurance companies in those areas have refused to count claims where property damage was a result of both wind and water. Instead, for 2 years they engaged in the practice of denying and delaying claims and took advantage of the desperation of disaster victims who lost everything.

This bill provides fair and equitable protection of combined wind and flood losses by allowing property owners to purchase wind and flood coverage in a single policy. It will help us right that wrong for many victims.

As we saw during Hurricane Katrina, FEMA's maps are significantly outdated, often understating flood risk and leaving homeowners without enough information to protect themselves.

I am pleased that this bill includes provisions to address this problem by requiring FEMA to conduct a thorough review of the nation's flood maps, making the updating and modernization of flood maps an ongoing process, and increasing funding for mapping.

H.R. 3121 addresses a number of weaknesses in the Flood Insurance Program that were exposed by the unprecedented 2005 hurricane season. It is a strong bill that will ensure the program's continued viability, encourage broader participation, and increase financial accountability.

I urge my colleagues to support this important legislation.

Mr. WELDON of Florida. Mr. Chairman, I am very concerned about the need to enhance access to affordable storm damage insurance, particularly for those living in communities like the one I represent in Florida. Indeed I have cosponsored and authored legislation that would do just this and compliment the steps that have already been taken by the State of Florida to address this issue.

Asking American taxpayers to assume $19 trillion in potential liabilities under a program that the Government Accountability Office, GAO, has already deemed insolvent just does not make good common sense. If an insolvent private company came before the regulators asking the regulator to further expand their liabilities, as is being done in H.R. 3121, the regulators would reject the application outright.

Increasing the potential liabilities of the National Flood Insurance Program, NFIP, as is done in H.R. 3121—without first paying off the NFIP's $19 billion debt—is unwise. Furthermore, the GAO and the Congressional Budget Office, CBO, admit that the $2 billion in annual premiums that NFIP takes in each year makes it virtually impossible for the NFIP to pay off this debt. No rational person would buy insurance from a private company who was $18

billion in debt or has borrowed from the U.S. Treasury (taxpayers) 14 times just to keep from going bankrupt.

Forcing H.R. 3121 to the floor while blocking amendments from Republican Members of Congress, especially from Members from Florida and other States who deal with hurricanes on a regular basis, does not speak highly of the integrity of this program.

As a father, I worry greatly about the burden we are passing onto our children. With reckless abandon, this Congress is rushing headlong into the future without any thought of what the ramifications of our decisions will have on our children and grandchildren. With every indication that Social Security will be bankrupt by 2042, with the Medicare program $17 trillion short already, the House passed another massive spending program with unfunded liabilities estimated at $180 billion this week in the State Children's Health Insurance Program, SCHIP. In the college student loan bill that we passed earlier this year, this Congress added tens of billions of dollars in potential liabilities. Today this House is going to ram through another massive spending program where, as stated in a study by actuaries Towers Perrin, payouts to insurers for wind damage in a given storm could be $100 to $200 billion.

The GAO estimates that the current unfunded liability that our children face is over $46 trillion, amounting to nearly $375,000 per full time working American. Adding the additional potential liability of $19 trillion in this bill would raise that to more than $500,000 per full-time working American. We need to face reality and begin to think about our children and the America that we are going to leave them.

As we think about the type of America we are creating for our children, I am reminded of a warning given years ago:

A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largess from the public treasury. From that moment on, the majority always votes for the candidates promising the most benefits from the public treasury with the result that a democracy always collapses over loose fiscal policy . . .

That is what this bill before us today does. It votes largess today, for political gain, while saddling our children with the debt. In good conscience I cannot do that. We owe it to future generations of Americans to turn the corner here and put their interests above our own.

As the Comptroller of the GAO stated in his testimony before the Senate Homeland Security Committee in 2005, the United States is on an unsustainable fiscal path and our future standard of living will be gradually eroded—if not suddenly damaged—if we continue on this path.

Reforming the NFIP is necessary, and this bill includes some important reforms, such as a phase-in of actuarially determined rates for some currently subsidized property owners. However, this bill does nothing to address the concerns raised by the GAO in the 2006 report that outlines the management and accountability problems after hurricanes Katrina and Rita.

The easy thing to do would be to simply vote for this bill and put the burden of paying for it on our children and grandchildren, much like Washington has done already with dozens of other insolvent federal programs. But that would not be the right thing to do, and it is for that reason that I cannot vote to further burden our children with costs that we are not willing to pay for ourselves today.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill, modified by the amendment printed in part A of House Report 110–351, is adopted. The bill, as amended, shall be considered as an original bill for the purpose of further amendment under the 5-minute rule and shall be considered read.

The text of the bill, as amended, is as follows:

H.R. 3121

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

***SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.***

*(a) SHORT TITLE.—This Act may be cited as the ''Flood Insurance Reform and Modernization Act of 2007''.*

*(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:*



***SEC. 2. FINDINGS AND PURPOSES.***

*(a) FINDINGS.—The Congress finds that—*

*(1) flooding has been shown to occur in all 50 States, the District of Columbia, and in all territories and possessions of the United States;*

*(2) the national flood insurance program (NFIP) is the only affordable and reliable source of insurance to protect against flood losses;*

*(3) the aggregate amount of the flood insurance claims resulting from Hurricane Katrina, Hurricane Rita, and other events has exceeded the aggregate amount of all claims previously paid in the history of the national flood insurance program, requiring a significant increase in the program's borrowing authority;*

*(4) flood insurance policyholders have a legitimate expectation that they will receive fair and timely compensation for losses covered under their policies;*

*(5) substantial flooding has occurred, and will likely occur again, outside the areas designated by the Federal Emergency Management Agency (FEMA) as high-risk flood hazard areas;*

*(6) properties located in low- to moderate-risk areas are eligible to purchase flood insurance policies with premiums as low as $112 a year;*

*(7) about 450,000 vacation homes, second homes, and commercial properties are subsidized and are not paying actuarially sound rates for flood insurance;*

*(8) phasing out subsidies currently extended to vacation homes, second homes, and commercial properties would result in estimated average annual savings to the taxpayers of the United States and the national flood insurance program of $335,000,000;*

*(9) the maximum coverage limits for flood insurance policies should be increased to reflect inflation and the increased cost of housing;*

*(10) significant reforms to the national flood insurance program required in the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 have yet to be implemented; and*

*(11) in addition to reforms required in the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, the national flood insurance program requires a modernized and updated administrative model to ensure that the program is solvent and the people of the United States have continued access to flood insurance.*

*(b) PURPOSES.—The purposes of this Act are—*

*(1) to protect the integrity of the national flood insurance program by fully funding existing legal obligations expected by existing policyholders who have paid policy premiums in return for flood insurance coverage and to pay debt service on funds borrowed by the NFIP;*

*(2) to increase incentives for homeowners and communities to participate in the national flood insurance program and to improve oversight to ensure better accountability of the NFIP and FEMA;*

*(3) to increase awareness of homeowners of flood risks and improve the quality of information regarding such risks provided to homeowners; and*

*(4) to provide for the national flood insurance program to make available optional multiperil insurance coverage against loss resulting from physical damage to or loss of real or personal property arising from any flood or windstorm.*

***SEC. 3. STUDY REGARDING STATUS OF PRE-FIRM PROPERTIES AND MANDATORY PURCHASE REQUIREMENT FOR NATURAL 100-YEAR FLOODPLAIN AND NON-FEDERALLY RELATED LOANS.***

*(a) IN GENERAL.—The Comptroller General shall conduct a study as follows:*

*(1) PRE-FIRM PROPERTIES.—The study shall determine the status of the national flood insurance program, as of the date of the enactment of*

this Act, with respect to the provision of flood insurance coverage for pre-FIRM properties (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4014 note)), which shall include determinations of—

(A) the number of pre-FIRM properties for which coverage is provided and the extent of such coverage;

(B) the cost of providing coverage for such pre-FIRM properties to the national flood insurance program;

(C) the anticipated rate at which such pre-FIRM properties will cease to be covered under the program; and

(D) the effects that implementation of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 will have on the national flood insurance program generally and on coverage of pre-FIRM properties under the program.

(2) MANDATORY PURCHASE REQUIREMENT FOR NATURAL 100-YEAR FLOODPLAIN.—The study shall assess the impact, effectiveness, and feasibility of amending the provisions of the Flood Disaster Protection Act of 1973 regarding the properties that are subject to the mandatory flood insurance coverage purchase requirements under such Act to extend such requirements to properties located in any area that would be designated as an area having special flood hazards but for the existence of a structural flood protection system, and shall determine—

(A) the regulatory, financial and economic impacts of extending such mandatory purchase requirements on the costs of homeownership, the actuarial soundness of the national flood insurance program, the Federal Emergency Management Agency, local communities, insurance companies, and local land use;

(B) the effectiveness of extending such mandatory purchase requirements in protecting homeowners from financial loss and in protecting the financial soundness of the national flood insurance program; and

(C) any impact on lenders of complying with or enforcing such extended mandatory requirements.

(3) MANDATORY PURCHASE REQUIREMENT FOR NON-FEDERALLY RELATED LOANS.—The study shall assess the impact, effectiveness, and feasibility of, and basis under the Constitution of the United States for, amending the provisions of the Flood Disaster Protection Act of 1973 regarding the properties that are subject to the mandatory flood insurance coverage purchase requirements under such Act to extend such requirements to any property that is located in any area having special flood hazards and which secures the repayment of a loan that is not described in paragraph (1), (2), or (3) of section 102(b) of such Act, and shall determine how best to administer and enforce such a requirement, taking into consideration other insurance purchase requirements under Federal and State law.

(b) REPORT.—The Comptroller General shall submit a report to the Congress regarding the results and conclusions of the study under this subsection not later than the expiration of the 6-month period beginning on the date of the enactment of this Act.

**SEC. 4. PHASE-IN OF ACTUARIAL RATES FOR NON-RESIDENTIAL PROPERTIES AND NON-PRIMARY RESIDENCES.**

(a) IN GENERAL.—Section 1308(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(c)) is amended—

(1) by redesignating paragraph (2) as paragraph (4); and

(2) by inserting after paragraph (1) the following new paragraphs:

''(2) NONRESIDENTIAL PROPERTIES.—Any nonresidential property, which term shall not include any multifamily rental property that consists of four or more dwelling units.

''(3) NON-PRIMARY RESIDENCES.—Any residential property that is not the primary residence of any individual, including the owner of the property or any other individual who resides in the property as a tenant.''.

(b) TECHNICAL AMENDMENTS.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking ''the limitations provided under paragraphs (1) and (2)'' and inserting ''subsection (e)''; and

(B) in paragraph (1), by striking '', except'' and all that follows through ''subsection (e)''; and

(2) in subsection (e), by striking ''paragraph (2) or (3)'' and inserting ''paragraph (4)''.

(c) EFFECTIVE DATE AND TRANSITION.—

(1) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply beginning on January 1, 2011, except as provided in paragraph (2) of this subsection.

(2) TRANSITION FOR PROPERTIES COVERED BY FLOOD INSURANCE UPON EFFECTIVE DATE.—

(A) INCREASE OF RATES OVER TIME.—In the case of any property described in paragraph (2) or (3) of section 1308(c) of the National Flood Insurance Act of 1968, as amended by subsection (a) of this section, that, as of the effective date under paragraph (1) of this subsection, is covered under a policy for flood insurance made available under the national flood insurance program for which the chargeable premium rates are less than the applicable estimated risk premium rate under section 1307(a)(1) for the area in which the property is located, the Director of the Federal Emergency Management Agency shall increase the chargeable premium rates for such property over time to such applicable estimated risk premium rate under section 1307(a)(1).

(B) ANNUAL INCREASE.—Such increase shall be made by increasing the chargeable premium rates for the property (after application of any increase in the premium rates otherwise applicable to such property), once during the 12-month period that begins upon the effective date under paragraph (1) of this subsection and once every 12 months thereafter until such increase is accomplished, by 15 percent (or such lesser amount as may be necessary so that the chargeable rate does not exceed such applicable estimated risk premium rate or to comply with subparagraph (C)). Any increase in chargeable premium rates for a property pursuant to this paragraph shall not be considered for purposes of the limitation under section 1308(e) of such Act.

(C) PROPERTIES SUBJECT TO PHASE-IN AND ANNUAL INCREASES.—In the case of any pre-FIRM property (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1974), the aggregate increase, during any 12-month period, in the chargeable premium rate for the property that is attributable to this paragraph or to an increase described in section 1308(e) of the National Flood Insurance Act of 1968 may not exceed the following percentage:

(i) NONRESIDENTIAL PROPERTIES.—In the case of any property described in such section 1308(c)(2), 20 percent.

(ii) NON-PRIMARY RESIDENCES.—In the case of any property described in such section 1308(c)(3), 25 percent.

(D) FULL ACTUARIAL RATES.—The provisions of paragraphs (2) and (3) of such section 1308(c) shall apply to such a property upon the accomplishment of the increase under this paragraph and thereafter.

**SEC. 5. EXCEPTION TO WAITING PERIOD FOR EFFECTIVE DATE OF POLICIES.**

Section 1306(c)(2)(A) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)(2)(A)) is amended by inserting before the semicolon the following: ''or is in connection with the purchase or other transfer of the property for which the coverage is provided (regardless of whether a loan is involved in the purchase or transfer transaction), but only when such initial purchase of coverage is made not later 30 days after such making, increasing, extension, or renewal of the loan or not later than 30 days after such purchase or other transfer of the property, as applicable''.

**SEC. 6. ENFORCEMENT.**

Section 102(f) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)) is amended—

(1) in paragraph (5)—

(A) in the first sentence, by striking ''$350'' and inserting ''$2,000''; and

(B) in the last sentence, by striking ''$100,000'' and inserting ''$1,000,000; except that such limitation shall not apply to a regulated lending institution or enterprise for a calendar year if, in any three (or more) of the five calendar years immediately preceding such calendar year, the total amount of penalties assessed under this subsection against such lending institution or enterprise was $1,000,000''; and

(2) in paragraph (6), by adding after the period at the end the following: ''No penalty may be imposed under this subsection on a regulated lending institution or enterprise that has made a good faith effort to comply with the requirements of the provisions referred to in paragraph (2) or for any non-material violation of such requirements.''.

**SEC. 7. MULTIPERIL COVERAGE FOR FLOOD AND WINDSTORM.**

(a) IN GENERAL.—Section 1304 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

''(c) MULTIPERIL COVERAGE FOR DAMAGE FROM FLOOD OR WINDSTORM.—

''(1) IN GENERAL.—Subject to paragraph (8), the national flood insurance program established pursuant to subsection (a) shall enable the purchase of optional insurance against loss resulting from physical damage to or loss of real property or personal property related thereto located in the United States arising from any flood or windstorm, subject to the limitations in this subsection and section 1306(b).

''(2) COMMUNITY PARTICIPATION REQUIREMENT.—Multiperil coverage pursuant to this subsection may not be provided in any area (or subdivision thereof) unless an appropriate public body shall have adopted adequate land use and control measures (with effective enforcement provisions) which the Director finds are consistent with the comprehensive criteria for land management and use relating to windstorms establish pursuant to section 1361(d)(2).

''(3) PROHIBITION AGAINST DUPLICATIVE COVERAGE.—Multiperil coverage pursuant to this subsection may not be provided with respect to any structure (or the personal property related thereto) for any period during which such structure is covered, at any time, by flood insurance coverage made available under this title.

''(4) NATURE OF COVERAGE.—Multiperil coverage pursuant to this subsection shall—

''(A) cover losses only from physical damage resulting from flooding or windstorm; and

''(B) provide for approval and payment of claims under such coverage upon proof that such loss must have resulted from either windstorm or flooding, but shall not require for approval and payment of a claim that the specific cause of the loss, whether windstorm or flooding, be distinguished or identified.

''(5) ACTUARIAL RATES.—Multiperil coverage pursuant to this subsection shall be made available for purchase for a property only at chargeable risk premium rates that, based on consideration of the risks involved and accepted actuarial principles, and including operating costs and allowance and administrative expenses, are required in order to make such coverage available on an actuarial basis for the type and class of properties covered.

''(6) TERMS OF COVERAGE.—The Director shall, after consultation with persons and entities referred to in section 1306(a), provide by regulation for the general terms and conditions of insurability which shall be applicable to properties eligible for multiperil coverage under this subsection, subject to the provisions of this subsection, including—

''(A) the types, classes, and locations of any such properties which shall be eligible for such coverage, which shall include residential and nonresidential properties;

''(B) subject to paragraph (7), the nature and limits of loss or damage in any areas (or subdivisions thereof) which may be covered by such coverage;

''(C) the classification, limitation, and rejection of any risks which may be advisable;

''(D) appropriate minimum premiums;

''(E) appropriate loss deductibles; and

''(F) any other terms and conditions relating to insurance coverage or exclusion that may be necessary to carry out this subsection.

''(7) LIMITATIONS ON AMOUNT OF COVERAGE.—The regulations issued pursuant to paragraph (6) shall provide that the aggregate liability under multiperil coverage made available under this subsection shall not exceed the lesser of the replacement cost for covered losses or the following amounts, as applicable:

''(A) RESIDENTIAL STRUCTURES.—In the case of residential properties—

''(i) for any single-family dwelling, $500,000;

''(ii) for any structure containing more than one dwelling unit, $500,000 for each separate dwelling unit in the structure; and

''(iii) $150,000 per dwelling unit for—

''(I) any contents related to such unit; and

''(II) any necessary increases in living expenses incurred by the insured when losses from flooding or windstorm make the residence unfit to live in.

''(B) NONRESIDENTIAL PROPERTIES.—In the case of nonresidential properties (including church properties)—

''(i) $1,000,000 for any single structure; and

''(ii) $750,000 for—

''(I) any contents related to such structure;

''(II) in the case of any nonresidential property that is a business property, any losses resulting from any partial or total interruption of the insured's business caused by damage to, or loss of, such property from flooding or windstorm, except that for purposes of such coverage, losses shall be determined based on the profits the covered business would have earned, based on previous financial records, had the flood or windstorm not occurred.

''(8) REQUIREMENT TO CEASE OFFERING COVERAGE IF BORROWING TO PAY CLAIMS.—If at any time the Director utilizes the borrowing authority under section 1309(a) for the purpose of obtaining amounts to pay claims under multiperil coverage made available under this subsection, the Director may not, during the period beginning upon the initial such use of such borrowing authority and ending upon repayment to the Secretary of the Treasury of the full amount of all outstanding notes and obligations issued by the Director for such purpose, together with all interest owed on such notes and obligations, enter into any new policy, or renew any existing policy, for coverage made available under this subsection.

''(9) EFFECTIVE DATE.—This subsection shall take effect on, and shall apply beginning on, June 30, 2008.''.

(b) PROHIBITION AGAINST DUPLICATIVE COVERAGE.—The National Flood Insurance Act of 1968 is amended by inserting after section 1313 (42 U.S.C. 4020) the following new section:

''PROHIBITION AGAINST DUPLICATIVE COVERAGE

''SEC. 1314. Flood insurance under this title may not be provided with respect to any structure (or the personal property related thereto) for any period during which such structure is covered, at any time, by multiperil insurance coverage made available pursuant to section 1304(c).''.

(c) COMPLIANCE WITH STATE AND LOCAL LAW.—Section 1316 of the National Flood Insurance Act of 1968 (42 U.S.C. 4023) is amended—

(1) by inserting ''(a) FLOOD PROTECTION MEASURES.—'' before ''No new''; and

(2) by adding at the end the following new subsection:

''(b) WINDSTORM PROTECTION MEASURES.—No new multiperil coverage shall be provided under section 1304(c) for any property that the Director finds has been declared by a duly constituted State or local zoning authority, or other authorized public body to be in violation of State or local laws, regulations, or ordinances, which are intended to reduce damage caused by windstorms.''.

(d) CRITERIA FOR LAND MANAGEMENT AND USE.—Section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended by adding at the end the following new subsection:

''(d) WINDSTORMS.—

''(1) STUDIES AND INVESTIGATIONS.—The Director shall carry out studies and investigations under this section to determine appropriate measures in windstorm-prone areas as to land management and use, windstorm zoning, and windstorm damage prevention, and may enter into contracts, agreements, and other appropriate arrangements to carry out such activities. Such studies and investigations shall include laws, regulations, and ordinance relating to the orderly development and use of areas subject to damage from windstorm risks, and zoning building codes, building permits, and subdivision and other building restrictions for such areas.

''(2) CRITERIA.—On the basis of the studies and investigations pursuant to paragraph (1) and such other information as may be appropriate, the Direct shall establish comprehensive criteria designed to encourage, where necessary, the adoption of adequate State and local measures which, to the maximum extent feasible, will assist in reducing damage caused by windstorms.

''(3) COORDINATION WITH STATE AND LOCAL GOVERNMENTS.—The Director shall work closely with and provide any necessary technical assistance to State, interstate, and local governmental agencies, to encourage the application of criteria established under paragraph (2) and the adoption and enforcement of measures referred to in such paragraph.''.

(e) DEFINITIONS.—Section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121) is amended—

(1) in paragraph (14), by striking ''and'' at the end;

(2) in paragraph (15) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(16) the term 'windstorm' means any hurricane, tornado, cyclone, typhoon, or other wind event.''.

**SEC. 8. MAXIMUM COVERAGE LIMITS.**

Subsection (b) of section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (2), by striking ''$250,000'' and inserting ''$335,000'';

(2) in paragraph (3), by striking ''$100,000'' and inserting ''$135,000''; and

(3) in paragraph (4), by striking ''$500,000'' each place such term appears and inserting ''$670,000''.

**SEC. 9. COVERAGE FOR ADDITIONAL LIVING EXPENSES, BASEMENT IMPROVEMENTS, BUSINESS INTERRUPTION, AND REPLACEMENT COST OF CONTENTS.**

Subsection (b) of section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended—

(1) in paragraph (4), by striking ''and'' at the end;

(2) in paragraph (5)—

(A) by inserting ''pursuant to paragraph (2), (3), or (4)'' after ''any flood insurance coverage''; and

(B) by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

''(6) in the case of any residential property, each renewal or new contract for flood insurance coverage shall provide not less than $1,000 aggregate liability per dwelling unit for any necessary increases in living expenses incurred by the insured when losses from a flood make the residence unfit to live in, which coverage shall be available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1);

''(7) in the case of any residential property, optional coverage for additional living expenses described in paragraph (6) shall be made available to every insured upon renewal and every applicant in excess of the limits provided in paragraph (6) in such amounts and at such rates as the Director shall establish, except that such chargeable rates shall not be less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1);

''(8) in the case of any residential property, optional coverage for losses, resulting from floods, to improvements and personal property located in basements, crawl spaces, and other enclosed areas under buildings that are not covered by primary flood insurance coverage under this title, shall be made available to every insured upon renewal and every applicant, except that such coverage shall be made available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1);

''(9) in the case of any commercial property or other residential property, including multifamily rental property, optional coverage for losses resulting from any partial or total interruption of the insured's business caused by damage to, or loss of, such property from a flood shall be made available to every insured upon renewal and every applicant, except that—

''(A) for purposes of such coverage, losses shall be determined based on the profits the covered business would have earned, based on previous financial records, had the flood not occurred; and

''(B) such coverage shall be made available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1); and

''(10) in the case of any residential property and any commercial property, optional coverage for the full replacement costs of any contents related to the structure that exceed the limits of coverage otherwise provided in this subsection shall be made available to every insured upon renewal and every applicant, except that such coverage shall be made available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1).''.

**SEC. 10. NOTIFICATION TO TENANTS OF AVAILABILITY OF CONTENTS INSURANCE.**

The National Flood Insurance Act of 1968 is amended by inserting after section 1308 (42 U.S.C. 4015) the following new section:

**''SEC. 1308A. NOTIFICATION TO TENANTS OF AVAILABILITY OF CONTENTS INSURANCE.**

''(a) IN GENERAL.—The Director shall, upon entering into a contract for flood insurance coverage under this title for any property located in an area having special flood hazards—

''(1) provide to the insured sufficient copies of the notice developed pursuant to subsection (b); and

''(2) strongly encourage the insured to provide a copy of the notice, or otherwise provide notification of the information under subsection (b) in the manner that the manager or landlord

deems most appropriate, to each such tenant and to each new tenant upon commencement of such a tenancy.

''(b) NOTICE.—Notice to a tenant of a property in accordance with this subsection is written notice that clearly informs a tenant—

''(1) that the property is located in an area having special flood hazards;

''(2) that flood insurance coverage is available under the national flood insurance program under this title for contents of the unit or structure leased by the tenant;

''(3) of the maximum amount of such coverage for contents available under this title at that time; and

''(4) of where to obtain information regarding how to obtain such coverage, including a telephone number, mailing address, and location on the World Wide Web of the Director where such information is available.''.

**SEC. 11. INCREASE IN ANNUAL LIMITATION ON PREMIUM INCREASES.**

Section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended by striking ''10 percent'' and inserting ''15 percent''.

**SEC. 12. REPORT REGARDING BORROWING AUTHORITY.**

Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall submit a report to the Congress setting forth a plan for repaying within 10 years all amounts, that, as of the expiration of such period, have been borrowed under the authority of section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) and not yet repaid as of such date.

**SEC. 13. FEMA PARTICIPATION IN STATE DISASTER CLAIMS MEDIATION PROGRAMS.**

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by adding at the end the following new section:

**''SEC. 1325. FEMA PARTICIPATION IN STATE DISASTER CLAIMS MEDIATION PROGRAMS.**

''(a) REQUIREMENT TO PARTICIPATE.—In the case of the occurrence of a natural catastrophe that may have resulted in flood damage covered by insurance made available under the national flood insurance program and a loss covered by personal lines residential property insurance policy, upon request made by the insurance commissioner of a State (or such other official responsible for regulating the business of insurance in the State) for the participation of representatives of the Director in a program sponsored by such State for nonbinding mediation of insurance claims resulting from a natural catastrophe, the Director shall cause such representatives to participate in such State program, when claims under the national flood insurance program are involved, to expedite settlement of flood damage claims resulting from such catastrophe.

''(b) EXTENT OF PARTICIPATION.—Participation by representatives of the Director required under subsection (a) with respect to flood damage claims resulting from a natural catastrophe shall include—

''(1) providing adjusters certified for purposes of the national flood insurance program who are authorized to settle claims against such program resulting from such catastrophe in amounts up to the limits of policies under such program;

''(2) requiring such adjusters to attend State-sponsored mediation meetings regarding flood insurance claims resulting from such catastrophe at times and places as may be arranged by the State;

''(3) participating in good-faith negotiations toward the settlement of such claims with policyholders of coverage made available under the national flood insurance program; and

''(4) finalizing the settlement of such claims on behalf of the national flood insurance program with such policyholders.

''(c) COORDINATION.—Representatives of the Director who participate pursuant to this section in a State-sponsored mediation program with respect to a natural catastrophe shall at all times coordinate their activities with insurance officials of the State and representatives of insurers for the purpose of consolidating and expediting the settlement of claims under the national flood insurance program resulting from such catastrophe at the earliest possible time.

''(d) MEDIATION PROCEEDINGS AND PRIVILEGED DOCUMENTS.—As a condition of the participation of Representatives of the Director pursuant to this section in State-sponsored mediation, all statements made and documents produced pursuant to such mediation involving representatives of the Director shall be deemed privileged and confidential settlement negotiations made in anticipation of litigation.

''(e) EFFECT OF PARTICIPATION ON LIABILITY, RIGHT, AND OBLIGATIONS.—Participation of Representatives of the Director pursuant to this section in State-sponsored mediation shall not affect or expand the liability of any party in contract or in tort, nor shall it affect the rights or obligations of the parties as provided in the Standard Flood Insurance Policy under the national flood insurance program, regulations of the Federal Emergency Management Agency, this Act, or Federal common law.

''(f) EXCLUSIVE FEDERAL JURISDICTION.—Participation of Representatives of the Director pursuant to this section in State-sponsored mediation shall not alter, change or modify the original exclusive jurisdiction of United States courts as provided in this Act.

''(g) COST LIMITATION.—Nothing in this section shall be construed to require the Director or representatives of the Director to pay additional mediation fees relating to flood claims associated with a State-sponsored mediation program in which representatives of the Director participate.

''(h) EXCEPTION.—In the case of the occurrence of a natural catastrophe that results in flood damage claims under the national flood insurance program and does not result in any loss covered by a personal lines residential property insurance policy—

''(1) this section shall not apply; and

''(2) the provisions of the Standard Flood Insurance Policy under the national flood insurance program and the appeals process established pursuant to section 205 of the Bunning-Bereueter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108–264; 118 Stat. 726) and regulations issued pursuant to such section shall apply exclusively.

''(i) REPRESENTATIVES OF DIRECTOR.—For purposes of this section, the term 'representatives of the Director' means representatives of the national flood insurance program who participate in the appeals process established pursuant to section 205 of the Bunning-Bereueter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108–264; 118 Stat. 726) and regulations issued pursuant to such section.''.

**SEC. 14. FEMA ANNUAL REPORT ON INSURANCE PROGRAM.**

Section 1320 of the National Flood Insurance Act of 1968 (42 U.S.C. 4027) is amended—

(1) in the section heading, by striking ''REPORT TO THE PRESIDENT'' and inserting ''ANNUAL REPORT TO CONGRESS'';

(2) in subsection (a)—

(A) by striking ''biennially'';

(B) by striking ''the President for submission to''; and

(C) by inserting ''not later than June 30 of each year'' before the period at the end;

(3) in subsection (b), by striking ''biennial'' and inserting ''annual''; and

(4) by adding at the end the following new subsection:

''(c) FINANCIAL STATUS OF PROGRAM.—The report under this section for each year shall include information regarding the financial status of the national flood insurance program under this title, including a description of the financial status of the National Flood Insurance Fund and current and projected levels of claims, premium receipts, expenses, and borrowing under the program.''.

**SEC. 15. FLOOD INSURANCE OUTREACH.**

(a) GRANTS.—Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

**''SEC. 1326. GRANTS FOR OUTREACH TO PROPERTY OWNERS AND RENTERS.**

''(a) IN GENERAL.—The Director may, to the extent amounts are made available pursuant to subsection (h), make grants to local governmental agencies responsible for floodplain management activities (including such agencies of Indians tribes, as such term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103)) in communities that participate in the national flood insurance program under this title, for use by such agencies to carry out outreach activities to encourage and facilitate the purchase of flood insurance protection under this Act by owners and renters of properties in such communities and to promote educational activities that increase awareness of flood risk reduction.

''(b) OUTREACH ACTIVITIES.—Amounts from a grant under this section shall be used only for activities designed to—

''(1) identify owners and renters of properties in communities that participate in the national flood insurance program, including owners of residential and commercial properties;

''(2) notify such owners and renters when their properties become included in, or when they are excluded from, an area having special flood hazards and the effect of such inclusion or exclusion on the applicability of the mandatory flood insurance purchase requirement under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) to such properties;

''(3) educate such owners and renters regarding the flood risk and reduction of this risk in their community, including the continued flood risks to areas that are no longer subject to the flood insurance mandatory purchase requirement;

''(4) educate such owners and renters regarding the benefits and costs of maintaining or acquiring flood insurance, including, where applicable, lower-cost preferred risk policies under this title for such properties and the contents of such properties; and

''(5) encouraging such owners and renters to maintain or acquire such coverage.

''(c) COST SHARING REQUIREMENT.—

''(1) IN GENERAL.—In any fiscal year, the Director may not provide a grant under this section to a local governmental agency in an amount exceeding 3 times the amount that the agency certifies, as the Director shall require, that the agency will contribute from non-Federal funds to be used with grant amounts only for carrying out activities described in subsection (b).

''(2) NON-FEDERAL FUNDS.—For purposes of this subsection, the term 'non-Federal funds' includes State or local government agency amounts, in-kind contributions, any salary paid to staff to carry out the eligible activities of the grant recipient, the value of the time and services contributed by volunteers to carry out such services (at a rate determined by the Director), and the value of any donated material or building and the value of any lease on a building.

''(d) ADMINISTRATIVE COST LIMITATION.—Notwithstanding subsection (b), the Director may use not more than 5 percent of amounts made available under subsection (g) to cover salaries, expenses, and other administrative costs incurred by the Director in making grants and provide assistance under this section.

''(e) APPLICATION AND SELECTION.—

''(1) IN GENERAL.—The Director shall provide for local governmental agencies described in subsection (a) to submit applications for grants under this section and for competitive selection, based on criteria established by the Director, of agencies submitting such applications to receive such grants.

''(2) SELECTION CONSIDERATIONS.—In selecting applications of local government agencies to receive grants under paragraph (1), the Director shall consider—

''(A) the existence of a cooperative technical partner agreement between the local governmental agency and the Federal Emergency Management Agency;

''(B) the history of flood losses in the relevant area that have occurred to properties, both inside and outside the special flood hazards zones, which are not covered by flood insurance coverage;

''(C) the estimated percentage of high-risk properties located in the relevant area that are not covered by flood insurance;

''(D) demonstrated success of the local governmental agency in generating voluntary purchase of flood insurance; and

''(E) demonstrated technical capacity of the local governmental agency for outreach to individual property owners.

''(f) DIRECT OUTREACH BY FEMA.—In each fiscal year that amounts for grants are made available pursuant to subsection (h), the Director may use not more than 50 percent of such amounts to carry out, and to enter into contracts with other entities to carry out, activities described in subsection (b) in areas that the Director determines have the most immediate need for such activities.

''(g) REPORTING.—Each local government agency that receives a grant under this section, and each entity that receives amounts pursuant to subsection (f), shall submit a report to the Director, not later than 12 months after such amounts are first received, which shall include such information as the Director considers appropriate to describe the activities conducted using such amounts and the effect of such activities on the retention or acquisition of flood insurance coverage.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for grants under this section $50,000,000 for each of fiscal years 2008 through 2012.''.

(b) REPORT ON CURRENT EFFORTS.—Not later than the expiration of the 60-day period beginning on the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall submit a report to the Congress identifying and describing the marketing and outreach efforts then currently being undertaken to educate consumers regarding the benefits of obtaining coverage under the national flood insurance program.

**SEC. 16. GRANTS FOR DIRECT FUNDING OF MITIGATION ACTIVITIES FOR INDIVIDUAL REPETITIVE CLAIMS PROPERTIES.**

(a) DIRECT GRANTS TO OWNERS.—Section 1323 of the National Flood Insurance Act of 1968 (42 U.S.C. 4030) is amended—

(1) in the section heading, by inserting ''**DIRECT**'' before ''**GRANTS**''; and

(2) in the matter in subsection (a) that precedes paragraph (1)—

(A) by inserting '', to owners of such properties,'' before ''for mitigation actions''; and

(B) by striking ''1'' and inserting ''two''.

(b) AVAILABILITY OF FUNDS.—Paragraph (9) of section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended by inserting ''which shall remain available until expended,'' after ''any fiscal year,''.

**SEC. 17. EXTENSION OF PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES.**

Section 1361A of the National Flood Insurance Act of 1968 (42 U.S.C. 4102a) is amended—

(1) in subsection (k)(1), by striking ''2005, 2006, 2007, 2008, and 2009'' and inserting ''2008, 2009, 2010, 2011, and 2012''; and

(2) by striking subsection (l).

**SEC. 18. FLOOD MITIGATION ASSISTANCE PROGRAM.**

(a) ELIGIBILITY OF PROPERTY DEMOLITION AND REBUILDING.—Section 1366(e)(5)(B) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(e)(5)(B)) is amended by striking ''or floodproofing'' and inserting ''floodproofing, or demolition and rebuilding''.

(b) ELIMINATION OF LIMITATIONS ON AGGREGATE AMOUNT OF ASSISTANCE.—Section 1366 of the National Flood Insurance Act of 1968 is amended by striking subsection (f).

(c) SOURCE OF FUNDS.—Subsection (a) of section 1367 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d(a)) is amended by adding at the end the following new sentence: ''Notwithstanding any other provision of this title, amounts made available pursuant to this subsection shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.''.

(d) TECHNICAL AMENDMENTS.—Section 1366 of the National Flood Insurance Act of 1968 is amended—

(1) by striking ''subsection (g)'' each place such term appears in subsections (h) and (i)(2) and inserting ''subsection (f)'';

(2) by redesignating subsections (g) through (k) as subsections (f) through (j), respectively; and

(3) by redesignating subsection (m) as subsection (k).

**SEC. 19. GAO STUDY OF METHODS TO INCREASE FLOOD INSURANCE PROGRAM PARTICIPATION BY LOW-INCOME FAMILIES.**

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to identify and analyze potential methods, practices, and incentives that would increase the extent to which low-income families (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))) that own residential properties located within areas having special flood hazards purchase flood insurance coverage for such properties under the national flood insurance program. In conducting the study, the Comptroller General shall analyze the effectiveness and costs of the various methods, practices, and incentives identified, including their effects on the national flood insurance program.

(b) REPORT.—The Comptroller General shall submit to the Congress a report setting forth the conclusions of the study under this section not later than 12 months after the date of the enactment of this Act.

**SEC. 20. NOTICE OF AVAILABILITY OF FLOOD INSURANCE AND ESCROW IN RESPA GOOD FAITH ESTIMATE.**

Subsection (c) of section 5 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2604(c)) is amended by adding at the end the following new sentence: ''Each such good faith estimate shall include the following conspicuous statements and information: (1) that flood insurance coverage for residential real estate is generally available under the national flood insurance program whether or not the real estate is located in an area having special flood hazards and that, to obtain such coverage, a home owner or purchaser should contact the national flood insurance program; (2) a telephone number and a location on the World Wide Web by which a home owner or purchaser can contact the national flood insurance program; and (3) that the escrowing of flood insurance payments is required for many loans under section 102(d) of the Flood Disaster Protection Act of 1973, and may be a convenient and available option with respect to other loans.''.

**SEC. 21. REITERATION OF FEMA RESPONSIBILITIES UNDER 2004 REFORM ACT.**

(a) APPEALS PROCESS.—As directed in section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note), the Director of the Federal Emergency Management Agency is again directed to, not later than 90 days after the date of the enactment of this Act, establish an appeals process through which holders of a flood insurance policy may appeal the decisions, with respect to claims, proofs of loss, and loss estimates relating to such flood insurance policy as required by such section.

(b) MINIMUM TRAINING AND EDUCATION REQUIREMENTS.—The Director of the Federal Emergency Management Agency is directed to continue to work with the insurance industry, State insurance regulators, and other interested parties to implement the minimum training and education standards for all insurance agents who sell flood insurance policies that were established by the Director under the notice published September 1, 2005 (70 Fed. Reg. 52117) pursuant to section 207 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note).

(c) REPORT.—Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall submit a report to the Congress describing the implementation of each provision of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108–264) and identifying each regulation, order, notice, and other material issued by the Director in implementing each such provision.

**SEC. 22. ONGOING MODERNIZATION OF FLOOD MAPS AND ELEVATION STANDARDS.**

(a) ONGOING FLOOD MAPPING PROGRAM.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following new subsection:

''(k) ONGOING PROGRAM TO REVIEW, UPDATE, AND MAINTAIN FLOOD INSURANCE PROGRAM MAPS.—

''(1) IN GENERAL.—The Director, in coordination with the Technical Mapping Advisory Council established pursuant to section 576 of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4101 note) and section 22(b) of the Flood Insurance Reform and Modernization Act of 2007, shall establish an ongoing program under which the Director shall review, update, and maintain national flood insurance program rate maps in accordance with this subsection.

''(2) INCLUSIONS.—

''(A) COVERED AREAS.—Each map updated under this subsection shall include a depiction of—

''(i) the 500-year floodplain;

''(ii) areas that could be inundated as a result of the failure of a levee, as determined by the Director; and

''(iii) areas that could be inundated as a result of the failure of a dam, as identified under the National Dam Safety Program Act (33 U.S.C. 467 et seq.).

''(B) OTHER INCLUSIONS.—In updating maps under this subsection, the Director may include—

''(i) any relevant information on coastal inundation from—

''(I) an applicable inundation map of the Corps of Engineers; and

''(II) data of the National Oceanic and Atmospheric Administration relating to storm surge modeling;

''(ii) any relevant information of the Geographical Service on stream flows, watershed characteristics, and topography that is useful in the identification of flood hazard areas, as determined by the Director; and

''(iii) a description of any hazard that might impact flooding, including, as determined by the Director—

''(I) land subsidence and coastal erosion areas;

''(II) sediment flow areas;

''(III) mud flow areas;

''(IV) ice jam areas; and

''(V) areas on coasts and inland that are subject to the failure of structural protective works, such as levees, dams, and floodwalls.

''(3) STANDARDS.—In updating and maintaining maps under this subsection, the Director shall establish standards to—

''(A) ensure that maps are adequate for—

''(i) flood risk determinations; and

''(ii) use by State and local governments in managing development to reduce the risk of flooding;

''(B) facilitate the Director, in conjunction with State and local governments, to identify and use consistent methods of data collection and analysis in developing maps for communities with similar flood risks, as determined by the Director; and

''(C) ensure that emerging weather forecasting technology is used, where practicable, in flood map evaluations and the identification of potential risk areas.

''(4) HURRICANES KATRINA AND RITA MAPPING PRIORITY.—In updating and maintaining maps under this subsection, the Director shall—

''(A) give priority to the updating and maintenance of maps of coastal areas affected by Hurricane Katrina or Hurricane Rita to provide guidance with respect to hurricane recovery efforts; and

''(B) use the process of updating and maintaining maps under subparagraph (A) as a model for updating and maintaining other maps.

''(5) PREVENTING DELAY OF 100-YEAR MAPS.—In carrying out this section and this subsection, the Director shall take such actions as may be necessary to ensure that updating and publication of national flood insurance program rate maps to include a depiction of the 500-year floodplain does not in any manner delay the completion or publication of the program rate maps for the 100-year floodplain.

''(6) EDUCATION PROGRAM.—The Director shall, after each update to a flood insurance program rate map, in consultation with the chief executive officer of each community affected by the update, conduct a program to educate each such community about the update to the flood insurance program rate map and the effects of the update.

''(7) ANNUAL REPORT.—Not later than June 30 of each year, the Director shall submit a report to the Congress describing, for the preceding 12-month period, the activities of the Director under the program under this section and the reviews and updates of flood insurance program rate maps conducted under the program. Each such annual report shall contain the most recent report of the Technical Mapping Advisory Council pursuant to section 576(c)(3) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4101 note).

''(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Director to carry out this subsection $400,000,000 for each of fiscal years 2008 through 2013.''.

(b) REESTABLISHMENT OF TECHNICAL MAPPING ADVISORY COUNCIL FOR ONGOING MAPPING PROGRAM.—

(1) REESTABLISHMENT.—There is reestablished the Technical Mapping Advisory Council, in accordance with this subsection and section 576 of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4101 note).

(2) MEMBERSHIP.—Paragraph (1) of section 576(b) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4101 note) is amended—

(A) in the matter preceding subparagraph (A), by striking ''10'' and inserting ''14'';

(B) by redesignating subparagraphs (E), (F), (G), (H), (I), and (J) as subparagraphs (F), (G), (H), (K), (N), and (O), respectively;

(C) by inserting after subparagraph (D) the following new subparagraph:

''(E) a representative of the Corps of Engineers of the United States Army;'';

(D) by inserting after subparagraph (H) (as so redesignated by subparagraph (B) of this paragraph) the following new subparagraphs:

''(I) a representative of local or regional flood and stormwater agencies;

''(J) a representative of State geographic information coordinators;''; and

(E) by inserting after subparagraph (K) (as so redesignated by subparagraph (B) of this paragraph) the following new subparagraphs:

''(L) a representative of flood insurance servicing companies;

''(M) a real estate professional;''.

(3) TERMS OF MEMBERS AND APPOINTMENT.—Section 576(b) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4101 note) is amended by adding at the end the following new paragraph:

''(3) TERMS OF MEMBERS.—

''(A) IN GENERAL.—Each member of the Council pursuant to any of subparagraphs (B) through (N) of paragraph (1) shall be appointed for a term of 5 years, except as provided in subparagraphs (B) and (C).

''(B) TERMS OF INITIAL APPOINTEES.—As designated by the Director (or the designee of the Director) at the time of appointment, of the members of the Council first appointed pursuant to subparagraph (D)—

''(i) 4 shall be appointed for a term of 1 year;

''(ii) 4 shall be appointed for a term of 3 years; and

''(iii) 5 shall be appointed for a term of 5 years.

''(C) VACANCIES.—Any member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Council shall be filled in the manner in which the original appointment was made.

''(D) INITIAL APPOINTMENT.—The Director, or the Director's designee, shall take action as soon as possible after the date of the enactment of the Flood Insurance Reform and Modernization Act of 2007 to appoint the members of the Council pursuant to this subsection.''.

(4) DUTIES.—Subsection (c) of section 576 of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4101 note) is amended to read as follows:

''(c) DUTIES.—The Council shall—

''(1) make recommendations to the Director for improvements to the flood map modernization program under section 1360(k) of the National Flood Insurance Act of 1968 (42 U.S.C. 41010(k));

''(2) make recommendations to the Director for maintaining a modernized inventory of flood hazard maps and information; and

''(3) submit an annual report to the Director that contains a description of the activities and recommendations of the Council.''.

(5) ELIMINATION OF TERMINATION.—Section 576 of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4101 note) is amended by striking subsection (k) and inserting the following new subsection:

''(k) CONTINUED EXISTENCE.—Section 14(a)(2)(B) of the Federal Advisory Committee Act (5 U.S.C. App.; relating to termination of advisory committees) shall not apply to the Council.''.

(c) POST-DISASTER FLOOD ELEVATION DETERMINATIONS.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

''(l) INTERIM POST-DISASTER FLOOD ELEVATIONS.—

''(1) AUTHORITY.—Notwithstanding any other provision of this section or section 1363, the Director may, after any flood-related disaster, establish by order interim flood elevation requirements for purposes of the national flood insurance program for any areas affected by such flood-related disaster.

''(2) EFFECTIVENESS.—Such interim elevation requirements for such an area shall take effect immediately upon issuance and may remain in effect until the Director establishes new flood elevations for such area in accordance with section 1363 or the Director provides otherwise.''.

(d) UPDATING UPON REQUEST OF COMMUNITY.—Paragraph (2) of section 1360(f) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(f)(2)) is amended by inserting before the period at the end the following: '', except that such a revision or update shall be made at no cost to the unit of government making the request if the request is being made to reflect repairs and upgrades to dams, levees, or other flood control projects under the jurisdiction and responsibility of the Federal Government''.

**SEC. 23. NOTIFICATION AND APPEAL OF MAP CHANGES; NOTIFICATION OF ESTABLISHMENT OF FLOOD ELEVATIONS.**

Section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104) is amended by striking the section designation and all that follows through the end of subsection (a) and inserting the following:

''SEC. 1363. (a) In establishing projected flood elevations for land use purposes with respect to any community pursuant to section 1361, the Director shall first propose such determinations—

''(1) by providing the chief executive officer of each community affected by the proposed elevations, by certified mail, with a return receipt requested, notice of the elevations, including a copy of the maps for the elevations for such community and a statement explaining the process under this section to appeal for changes in such elevations;

''(2) by causing notice of such elevations to be published in the Federal Register, which notice shall include information sufficient to identify the elevation determinations and the communities affected, information explaining how to obtain copies of the elevations, and a statement explaining the process under this section to appeal for changes in the elevations; and

''(3) by publishing in a prominent local newspaper the elevations, a description of the appeals process for flood determinations, and the mailing address and telephone number of a person the owner may contact for more information or to initiate an appeal.''.

**SEC. 24. CLARIFICATION OF REPLACEMENT COST PROVISIONS, FORMS, AND POLICY LANGUAGE.**

Not later than the expiration of the 3-month period beginning on the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall—

(1) in plain language using easy to understand terms and concepts, issue regulations, and revise any materials made available by such Agency, to clarify the applicability of replacement cost coverage under the national flood insurance program;

(2) in plain language using easy to understand terms and concepts, revise any regulations, forms, notices, guidance, and publications relating to the full cost of repair or replacement under the replacement cost coverage to more clearly describe such coverage to flood insurance policyholders and information to be provided by such policyholders relating to such coverage, and to avoid providing misleading information to such policyholders;

(3) revise the language in standard flood insurance policies under such program regarding rating and coverage descriptions in a manner that is consistent with language used widely in other homeowners and property and casualty insurance policies, including such language regarding classification of buildings, basements, crawl spaces, detached garages, enclosures below elevated buildings, and replacement costs; and

(4) require the use, in connection with flood insurance policies, of the supplemental forms developed pursuant to section 202 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108–264; 118 Stat. 725).

***SEC. 25. AUTHORIZATION OF ADDITIONAL FEMA STAFF.***

*Notwithstanding any other provision of law, the Director of the Federal Emergency Management Agency may employ such additional staff as may be necessary to carry out all of the responsibilities of the Director pursuant to this Act and the amendments made by this Act. There are authorized to be appropriated to Director such sums as may be necessary for costs of employing such additional staff.*

***SEC. 26. EXTENSION OF DEADLINE FOR FILING PROOF OF LOSS.***

*(a) IN GENERAL.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended—*

*(1) by inserting ''(a) PAYMENT.—'' before ''The Director''; and*

*(2) by adding at the end the following new subsection:*

*''(b) FILING DEADLINE FOR PROOF OF LOSS.—''(1) IN GENERAL.—In establishing any requirements regarding notification, proof, or approval of claims for damage to or loss of property which is covered by flood insurance made available under this title, the Director may not require an insured to notify the Director of such damage or loss, submit a claim for such damage or loss, or certify to or submit proof of such damage or loss, before the expiration of the 180-day period that begins on the date that such damage or loss occurred.*

*''(2) EXCEPTIONS.—Notwithstanding any deadline established in accordance with paragraph (1), the Director may not deny a claim for damage or loss described in such paragraph solely for failure to meet such deadline if the insured demonstrates any good cause for such failure.''.*

*(b) APPLICABILITY.—Subsection (b) of section 1312 of the National Flood Insurance Act of 1968, as added by subsection (a)(2) of this section, shall apply with respect to any claim under which the damage to or loss of property occurred on or after the date of the enactment of this Act.*

***SEC. 27. 5-YEAR EXTENSION OF PROGRAM.***

*Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking ''September 30, 2008'' and inserting ''September 30, 2013''.*

***SEC. 28. REPORT ON INCLUSION OF BUILDING CODES IN FLOODPLAIN MANAGEMENT CRITERIA.***

*Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall conduct a study and submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate regarding the impact, effectiveness, and feasibility of amending section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) to include widely used and nationally recognized building codes as part of the floodplain management criteria developed under such section, and shall determine—*

*(1) the regulatory, financial, and economic impacts of such a building code requirement on homeowners, States and local communities, local land use policies, and the Federal Emergency Management Agency;*

*(2) the resources required of State and local communities to administer and enforce such a building code requirement;*

*(3) the effectiveness of such a building code requirement in reducing flood-related damage to buildings and contents;*

*(4) the impact of such a building code requirement on the actuarial soundness of the National Flood Insurance Program;*

*(5) the effectiveness of nationally recognized codes in allowing innovative materials and systems for flood-resistant construction; and*

*(6) the feasibility and effectiveness of providing an incentive in lower premium rates for flood insurance coverage under such Act for structures meeting whichever of such widely used and nationally recognized building code or any applicable local building code provides greater protection from flood damage.*

***SEC. 29. STUDY OF ECONOMIC EFFECTS OF CHARGING ACTUARIALLY-BASED PREMIUM RATES FOR PRE-FIRM STRUCTURES.***

*(a) STUDY.—The Director of the Federal Emergency Management Agency (in this section referred to as the ''Director'') shall conduct a study of the economic effects that would result from increasing premium rates for flood insurance coverage made available under the national flood insurance program for non-primary residences and non-residential pre-FIRM structures (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4014 note) to the full actuarial risk based premium rate determined under section 1307(a)(1) of the National Flood Insurance Act of 1968 for the area in which the property is located. In conducting the study, the Director shall—*

*(1) determine each area that would be subject to such increased premium rates; and*

*(2) for each such area, determine—*

*(A) the amount by which premium rates would be increased;*

*(B) the number and types of properties affected and the number and types of properties covered by flood insurance under this title likely to cancel such insurance if the rate increases were made;*

*(C) the effects that the increased premium rates would have on land values and property taxes; and*

*(D) any other effects that the increased premium rates would have on the economy, homeowners, and renters of non-primary residences.*

*(b) REPORT.—The Director shall submit a report to the Congress describing and explaining the findings of the study conducted under this section. The report shall be submitted not later than 12 months after the date of the enactment of this Act.*

The CHAIRMAN. No further amendment to the bill, as amended, is in order except those printed in part B of the report. Each further amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be read considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in part B of House Report 110–351.

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. FRANK of Massachusetts:

In the matter proposed to be inserted by section 7(a)(2) of the bill, amend paragraph (2) of subsection (c) to read as follows:

''(2) COMMUNITY PARTICIPATION REQUIREMENT.—Multiperil coverage pursuant to this subsection may not be provided in any area (or subdivision thereof) unless an appropriate public body shall have adopted adequate mitigation measures (with effective enforcement provisions) which the Director finds are consistent with the criteria for construction described in the International Code Council building codes relating to wind mitigation.''.

In the matter proposed to be inserted by section 7(d) of the bill, in paragraph (1) of subsection (d) strike ''windstorm-prone areas as to land management and use, windstorm zoning, and windstorm damage prevention'' and inserting ''wind events as to wind hazard prevention''.

In the matter proposed to be inserted by the amendment made by section 22(a) of the bill, in subsection (k), redesignate paragraphs (4) through (8) as paragraphs (5) through (9), respectively.

In the matter proposed to be inserted by the amendment made by section 22(a) of the bill, after subsection (k)(3) insert the following new paragraph:

''(4) MAPPING ELEMENTS.—Each map updated under this section shall meet the following requirements:

''(A) GROUND ELEVATION DATA.—The maps shall assess the accuracy of current ground elevation data used for hydrologic and hydraulic modeling of flooding sources and mapping of the flood hazard and wherever necessary acquire new ground elevation data utilizing the most up-to-date geospatial technologies in accordance with the existing guidelines and specifications of the Federal Emergency Management Agency.

''(B) DATA ON A WATERSHED BASIS.—The maps shall develop national flood insurance program flood data on a watershed basis—

''(i) to provide the most technically effective and efficient studies and hydrologic and hydraulic modeling; and

''(ii) to eliminate, to the maximum extent possible, discrepancies in base flood elevations between adjacent political subdivisions.

''(C) OTHER DATA.—The maps shall include any other relevant information as may be recommended by the Technical Mapping Advisory Council reestablished by section 22(b) of the Flood Insurance Reform and Modernization Act of 2007.''.

In section 22(b)(2)(A), strike ''14'' and insert ''15''.

In section 22(b)(2)(B), strike ''(N), and (O)'' and insert ''(O), and (P)''.

In the matter proposed to be inserted by the amendment made by section 22(b)(2)(E) of the bill, after subparagraph (M) insert the following new subparagraph:

''(N) a member of a professional mapping association or organization;''.

At the end of the bill add the following new sections:

**SEC. 30. PROHIBITION ON ENFORCEMENT OF PENALTY ASSESSED ON CONDOMINIUM ASSOCIATIONS.**

Notwithstanding any other provision of law, the Director of the Federal Emergency Management Agency shall not apply or enforce any penalty relating to the national flood insurance program assessed, during 2005 or thereafter, on condominium associations that are underinsured under such program.

**SEC. 31. REPORT OF ADMINISTRATIVE EXPENSES OF WRITE-YOUR-OWN INSURERS; INDEPENDENT AUDITS.**

Section 1348 of the National Flood Insurance Act of 1968 (42 U.S.C. 4084) is amended by adding at the end the following new subsections:

''(c) Any insurance company or other private organization executing any contract, agreement, or other appropriate arrangement with the Director under this part shall—

''(1) annually submit to the Director a record of all administrative and operating costs of the program undertaken; and

''(2) biennially submit to the Director an independent audit of the program undertaken that is conducted by a certified public accountant to ensure that payments made are proper and in accordance with this Act.

''(d) The Director shall review the records and audits submitted under paragraphs (1)

and (2) of subsection (c) to determine if such payments are reasonable and if the system by which the Director makes payments to an insurance company or other private organization under this part should be revised.

**''SEC. 32. PLAN TO VERIFY MAINTENANCE OF FLOOD INSURANCE ON MISSISSIPPI AND LOUISIANA PROPERTIES RECEIVING EMERGENCY SUPPLEMENTAL FUNDS.**

''The Director of the Federal Emergency Management Agency shall develop and implement a plan to verify that persons receiving funds under the Homeowner Grant Assistance Program of the State of Mississippi or the Road Home Program of the State of Louisiana from amounts allocated to the State of Mississippi or the State of Louisiana, respectively, from the Community development fund under the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (Public Law 109–148) are maintaining flood insurance on the property for which such persons receive such funds as required by each such Program.''.

The CHAIRMAN. Pursuant to House Resolution 683, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

□ 1400

Mr. FRANK of Massachusetts. Mr. Chairman, this is an amendment unanimously supported, I believe, certainly strongly supported by both majority and minority committee leadership and staffs. It incorporates a number of other amendments, and I am pleased to be able to say that at least here we were able to get some bipartisanship, because one of the amendments of the gentleman from Ohio (Mr. LATOURETTE), it improves the program in terms of mapping and other technical ways, and I believe that there is general agreement that this improves it.

I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I rise to claim time in opposition, although I am not opposed to the amendment.

The CHAIRMAN. Without objection, the gentlewoman from West Virginia is recognized for 5 minutes.

There was no objection.

Mrs. CAPITO. Mr. Chairman, I would like to thank the chairman for working with the manager's amendment with Members of our side. I appreciate his efforts as always.

I yield 2 minutes in particular to the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Mr. Chairman, I thank the gentlelady for yielding, and I rise today to support the manager's amendment and to offer my thanks to the chairman of the full committee, Chairman FRANK.

About a year ago in Ohio we had a 500-year event, and a lot of places that had never flooded, flooded. And what we found was that the current structure of the National Flood Insurance Program indicates that if the primary insurance, if there is a finding that it is underinsured, there is a penalty that attaches to it. It further goes on to say that if the penalty attaches and you don't pay out the limits on the first policy, you can't reach the secondary insurance.

We had people in our hometown that basically did what they were supposed to do; they bought the secondary insurance, they were fully insured. The condominium owners association, however, was underinsured, and therefore we didn't reach the policies.

The chairman joined with me in August in writing to FEMA to see if we could administratively reach some resolution. Sadly, we were unable to do that, and my thanks to Chairman FRANK for including in his manager's amendment today something that not only reaches my constituents, because apparently that would be some kind of illegal earmark, but it reaches all people in the country that find themselves so afflicted. So my thanks to the chairman.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentleman is welcome. I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. CULBERSON).

Mr. CULBERSON. Mr. Chairman, of all the irresponsible, bad ideas cooked up by the liberal leadership of the House, this has to be the blue ribbon boondoggle champion of bad ideas. This exposes the U.S. Treasury and the American taxpayers to a potential liability of up to $19 trillion of property from Maine to the Gulf Coast States. The flood insurance program is already, as we have heard, about, I believe, $20 billion in debt already, the flood insurance is already underfunded, and yet we are going through this legislation, if it passes, expose the American taxpayers to untold billion dollars worth of liability every year. And this is a public-private partnership. As my friend RANDY NEUGEBAUER of Texas pointed out, the insurance companies on the private sector's part are going to collect the premiums and the American taxpayers are going to pay the bill.

This is, I believe, one of the most dangerous and fiscally irresponsible pieces of legislation ever brought to the floor of the House probably in history, and certainly sets a blue ribbon record for the liberal leadership of this House.

We need to all remember as guardians of the Treasury that the American taxpayers are already facing individually, according to the Government Accountability Office, every living American would have to buy $170,000 worth of Treasury bills today just to pay off the existing liabilities of the Federal Government, both direct and indirect. And it is unconscionable, it is absolutely intolerable that this Congress, this liberal leadership of this House would attempt to pass on to my daughter and our kids a potential liability reaching $19 trillion. It is unacceptable, it is outrageous, and I hope this House will soundly defeat this utterly irresponsible piece of legislation.

Mr. FRANK of Massachusetts. Mr. Chairman, it might be superfluous, but I would want to point out that the speech we just heard has no bearing whatsoever to the amendment that is pending.

Mr. CULBERSON. It is on the bill.

Mr. FRANK of Massachusetts. The gentleman, I hope, would wait to be recognized. But in case anybody is trying to follow the debate and the rules, I would want to point out that we are debating a manager's amendment. And while the gentleman didn't know, what he was so expansively saying is, of course, unrelated to this particular amendment.

Mrs. CAPITO. I yield my remaining time to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. I thank the gentlewoman for yielding and I thank my friend from Massachusetts for generously yielding time, and I want to speak about the manager's amendment. Now that I have done that, I want to talk about Public Law 15.

Public Law 15, or the McCarran-Ferguson Act, says that the States will be in charge of insurance, not the Federal Government.

Therefore, when a company comes into a State or tries to leave a State, the State insurance commissioner actually has the opportunity to twist an arm and say, if you are going to come into my State, you have to write a certain amount of coastal property, a certain mix of teenage drivers, a certain mix of elderly people for health care or whatever. State insurance commissioners by Public Law 15, the McCarran-Ferguson Act, are very powerful in the insurance business.

So I want to say that is where my philosophy comes from is that I do strongly believe that the States can twist arms and get a lot more done.

But I just want to say that Federal flood fund insurance companies did not start until 1968; yet, we have historic properties all over the coast of America because the private sector was there. And, again, having sold flood insurance through a private insurance company, I know that it is possible. And I don't know if the gentleman needs some time. I will be happy to yield, because it is your amendment.

Mr. FRANK of Massachusetts. First of all, I agree. I thought he was talking about the Federal Government when he said ''we.'' And he is right, States have some power; the Federal Government does not. But even there, I believe he overstates the States' powers. And in fact, particularly in the Graham-Leach-Bliley bill, we gave some insurance companies the power to leave States, which we shouldn't have done. But States can be required, if they are going to do something, to do other things. But they can leave altogether, and the State insurance commissioners generally don't have the power to do that.

Mr. KINGSTON. Reclaiming the time. I do believe that you have set a great message, and Mr. TAYLOR is a tireless advocate for coastal property. But at the same time, I do think that the McCarran-Ferguson Act gives the State insurance commissioners a pretty big hammer here which they ought to be using on the head of certain insurance company executives.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. CARDOZA

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in part B of House Report 110–351.

Mr. CARDOZA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. CARDOZA:

At the end of section 22 of the bill, add the following new subsection:

(e) 5-YEAR DISCOUNT OF FLOOD INSURANCE RATES FOR FORMERLY PROTECTED AREAS.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this Act, is further amended—

(1) in subsection (c), by inserting ''and subsection (g)'' before the first comma; and

(2) by adding at the end the following new subsection:

''(g) 5-YEAR DISCOUNT OF FLOOD INSURANCE RATES FOR FORMERLY PROTECTED AREAS.—Notwithstanding any other provision of law relating to chargeable risk premium rates for flood insurance coverage under this title, in the case of any area that previously was not designated as an area having special flood hazards because the area was protected by a flood protection system and that, pursuant to remapping under section 1360(k), becomes designated as such an area as a result of the decertification of such flood protection system, during the 5-year period that begins upon the initial such designation of the area, the chargeable premium rate for flood insurance under this title with respect to any property that is located within such area shall be equal to 50 percent of the chargeable risk premium rate otherwise applicable under this title to the property.''.

The CHAIRMAN. Pursuant to House Resolution 683, the gentleman from California (Mr. CARDOZA) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. CARDOZA. Mr. Chairman, I yield myself 3½ minutes.

I rise today in strong support of this amendment to H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007. I thank the chairman of the committee, Mr. FRANK, for his leadership on this issue. I would also be remiss if I did not mention that Congressman HINOJOSA was very instrumental in helping me bring this amendment to the floor today, and his name was left off the list of coauthors although he was certainly instrumental, as well as Mrs. LOIS CAPPS, our colleague from California who has a problem in the Santa Maria area and is also a supporter of this bill.

I fully understand, Mr. Chairman, and appreciate the need to reform and modernize the National Flood Insurance Program. As we all know, the recent devastating hurricanes, Katrina, Rita and Wilma, not only ruined thousands of people's lives, but displaced tens of thousands of people and laid waste to millions of homes, causing billions of dollars in property damage, and they were exposed to the fragility of the National Flood Insurance Program. Mr. TAYLOR will speak later to that problem.

At the same time, FEMA began a remapping of flood plains across the country. And while I agree that people should know whether they live in a protected area or not, FEMA's process has been terribly flawed from the beginning, and my constituents stand to suffer as a result.

As we make the necessary reforms to the system, we must be cognizant of the impact this legislation could have on unsuspecting residents. FEMA's current plans to update the floodplain maps will force many people in my district and across the country to have to purchase flood insurance who are currently not required to purchase it. To add insult to injury, many of these people are low-income earners, and have no idea that this expense is looming.

I commend the bill for recognizing this problem and taking some steps to address it; however, we must do more to help low-income people who will be affected. Our amendment addresses these concerns and blunts the impact the remapping process will have on low-income residents.

This amendment says that people forced to purchase flood insurance as a result of a new map who live in an area that was previously certified and now have been decertified under the new FEMA process will have a grace period of 5 years in which they will be entitled to a 50 percent reduction in their flood insurance premium. The goal is that, during those 5 years, necessary upgrades will be made to the levees to bring them into compliance, thereby eliminating the mandatory requirement to purchase flood insurance.

This amendment will have a huge impact on my district and many other parts of the country as well. It is simply unfair to, while requiring communities to upgrade their levees, also require them to purchase flood insurance at the same time. Many of these people are still paying on the levees that had initially protected them in the first place.

By giving those who most need assistance a grace period, we are acknowledging the plight of these communities and taking action. This is the right thing to do. Moreover, given the volatile housing markets, we need to do everything possible to ensure people on the precipice remain in their homes. In my district, we have nearly 20,000 people who are currently facing foreclosure due to the subprime loan problem. Saddling these same people with more expenses when they can least afford it is counterproductive and contrary to the shared goal of promoting ownership. Let's help these people bring some balance to the flood insurance program and FEMA's remapping process. I urge my colleagues to support this amendment.

I reserve the balance of my time.

Ms. CAPITO. Mr. Chairman, I rise to claim time in opposition, although I am not opposed to the amendment.

The CHAIRMAN. Without objection, the gentlewoman from West Virginia is recognized for 5 minutes.

There was no objection.

Ms. CAPITO. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. CULBERSON).

Mr. CULBERSON. Mr. Chairman, I wanted to ask the author of the amendment and the author of the legislation, if they are here, if they could identify, please, for the Record, other than Social Security and Medicare, can you all identify any piece of legislation that has ever exposed the American taxpayer to greater potential liability than this bill before the House today? Can you all identify a bigger boondoggle than this one? And you can have some of my time. I will yield. Can anyone on that side identify a bigger boondoggle than this that will expose the taxpayers to greater liability?

Mr. CARDOZA. I would say there are several Republican boondoggles that we have seen in the last few years.

Mr. CULBERSON. Please name one.

Mr. CARDOZA. The drug program. The unheard of tax cuts that were not paid for. There have been several things that have exposed the American Treasury to boondoggles, and they have been authored by the gentleman's party.

Mr. CULBERSON. Tax cuts pay for themselves by growth in the economy.

Mr. CARDOZA. That is not what the Congressional Budget Office says.

Mr. CULBERSON. Reclaiming my time. When people have more of their own money to spend, the economy grows because they invest and we are rewarding people for hard work and productive behavior.

Other than Social Security and Medicare, which are noble, good programs that have helped this Nation, other than those two, has there ever been a piece of legislation exposing the American taxpayer to greater potential liability than this boondoggle that you are putting before the House today? And I gladly yield some of my time, Mr. TAYLOR. Can you identify a bigger boondoggle than this one?

Mr. TAYLOR. Sure. No more than I challenge the question as to whether or not this is a boondoggle. We have recognized a problem; we are addressing it in a means that pays for itself.

On the other hand, when the Republican majority controlled this House, they brought a prescription drug benefit to the floor.

Mr. CULBERSON. Which I voted against.

Mr. TAYLOR. Which increased the liability of the taxpayers for over $1 trillion and had no funding mechanism. And then they held the vote open for 3 hours to twist arms to pass it. So, sir, that is it.

Mr. CULBERSON. Reclaiming my time. The Republican leadership might have bent the rules to give American seniors a drug benefit; but we didn't break the rules and steal a vote, as you all did, to give illegal aliens access to Federal benefits. And that shows the difference in priorities, I would point out.

□ 1415

Mr. CARDOZA. Mr. Chairman, I recognize my colleague from Texas (Mr. REYES) for 1 minute.

Mr. REYES. Thank you, Congressman CARDOZA and Congressman ROSS, for your valuable assistance in crafting this important amendment.

I also want to thank our friend, as Congressman CARDOZA mentioned, RUBÉN HINOJOSA, who could not join us here this afternoon.

Our amendment stands both for fairness and the integrity of the National Flood Insurance Program.

In El Paso, which is my district, FEMA is currently in the process of issuing new floodplain maps. Initially, the community didn't think much of this exercise because, simply, many didn't know that they had ever lived in a floodplain and didn't expect any problems with this issue.

However, when FEMA asked the Federal agency in charge of flood control, the International Boundary and Water Commission, about the condition of our levees, the answer came back that they were unsatisfactory. The levees were missing a few feet of free board, which is supplemental height and therefore could not be certified, which meant that now members of our community in El Paso were now subject to flood insurance.

That is why this amendment is necessary. That's why we're trying to correct an issue and a problem that everyday people need to wrestle with.

Mrs. CAPITO. Mr. Chairman, I would like to yield my remaining time to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Chairman, maybe somebody in the majority party could clarify something for me. Does this apply to the wind coverage? Does the gentleman, author of the legislation, know? Does this apply to the wind storm coverage? Does this amendment apply to wind storm?

Mr. CARDOZA. This amendment applies to levees.

Mr. KINGSTON. Does it apply to the wind storm policy? And here's why I'm asking: as I understand it, we're talking about a multi-peril policy that would have flood and wind. And a mortgagee, or a bank, the lender is going to require you to carry flood insurance. Therefore, you go out in the market, well, it won't be the market. You go to Uncle Sugar, I mean Uncle Sam, and you say, I want to get this policy and you're going to get the flood care, but they're also going to sell you the wind storm as part of it.

So is it your intent for people who are in this floodplain area to also get a discount on their wind storm coverage?

Mr. CARDOZA. This amendment's intent is to cover folks who are in flood areas now that are currently covered by levees that, through no fault of their own, FEMA's come in and decertified. They had regulations 2 years ago that said they were fine. They've changed regulations on these folks.

So it's not my intent to affect in any way the wind portion of the policy.

Mr. KINGSTON. Well, if the gentleman will let me ask, and I'll yield back to you, but where in your policy does it say they won't get the discount on the wind coverage? Because I understand what you're doing on the flood. But it appears that wind is going to be in this package. I don't see how we divide it out.

Mr. CARDOZA. My amendment is silent to the wind coverage, sir. It doesn't speak to that.

Mr. KINGSTON. But am I correct that when my lender requires me to carry the flood insurance, then I'm also going to FEMA for the wind storm insurance?

Mr. FRANK of Massachusetts. If the gentleman would yield.

Mr. CARDOZA. I would yield.

Mr. FRANK of Massachusetts. I just double-checked with the staff, and there is no discount available for wind. It's in the bill.

Mr. KINGSTON. Would they have to be in the amendment?

Mr. FRANK of Massachusetts. The language is, in the case of any area that previously was not designated as an area having special flood hazards because the area was protected, it becomes designated as such an area, and it's all about flood. Here it is: the chargeable premium rate for flood insurance under this title shall be, et cetera. So if the gentleman would look at the bottom of the amendment, I'm trying to answer the question.

Mr. KINGSTON. Mr. CARDOZA said it was silent on it, which it sounds like. From what you just read, that's correct. Wouldn't it have to proactively exclude the discount for wind? I'm just asking.

Mr. FRANK of Massachusetts. If the gentleman would yield to me one second, lines 18 and 19, the chargeable premium rate for flood insurance under this title shall be 50 percent.

The CHAIRMAN. The gentleman from Georgia's time has expired. The gentleman from California has 30 seconds remaining on his side.

Mr. KINGSTON. Maybe if Mr. FRANK could finish that sentence.

Mr. CARDOZA. I yield my remaining time to the chairman of the committee, Mr. FRANK.

Mr. FRANK of Massachusetts. The law is the law. The amendment would change things. In that sense the gentleman is right: it is silent. It's silent on the wind part, which means it doesn't change it. It explicitly changes the flood part only. And look at lines 18, 19 and pages 1, 2 and 3, and it specifically restricted the flood.

Mr. KINGSTON. But in a multi-peril policy, you're only getting one premium.

Mr. FRANK of Massachusetts. Oh, no. The gentleman is wrong. The gentleman should yield to the gentleman from Mississippi.

Mr. TAYLOR. Since you were in the business, you know that if you have a federally backed mortgage and you live in a floodplain, you have to buy flood insurance. The wind policy will be totally voluntary. It is an option to those people who wish to purchase. There is nothing in the law to require people to buy the wind policy.

The CHAIRMAN. The gentleman from California's time has expired.

The question is on the amendment offered by the gentleman from California (Mr. CARDOZA).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MS. CASTOR

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in part B of House Report 110–351.

Ms. CASTOR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Ms. CASTOR:

At the end of the bill add the following new section:

**SEC. ___. GAO STUDY OF FACTORS AFFECTING ENROLLMENT IN MULTIPERIL INSURANCE PROGRAM.**

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to identify and analyze factors affecting enrollment in the multiperil insurance program. Such study shall include a study of the effects of the multiperil insurance program on enrollment and pricing of State residual property and casualty markets or plans and State catastrophe plans.

(b) REPORT.—Not later than 270 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report containing the conclusions of the study conducted under subsection (a).

The CHAIRMAN. Pursuant to House Resolution 683, the gentlewoman from Florida (Ms. CASTOR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Florida.

Ms. CASTOR. Mr. Chairman, I yield myself as much time as I might consume.

This amendment commissions a GAO study to examine the effect of the new multi-peril coverage option which is established as an option in this bill on State insurers and catastrophe funds like those in my State of Florida. This amendment works very well with the initiative of Chairman FRANK and my colleague from Florida, Ms. BROWN-WAITE, and their very thoughtful initiatives. But it builds upon it.

And the particular problem in my State of Florida is that the State insurance company, Citizens, now holds 1.3 million policies. Citizens is supposed to be an insurer of last resort; but because private insurance companies have left the State, they've withdrawn from the market, Citizens has ballooned to over 40 percent of the property wind insurance market. Citizens, however, does not have the reserves, the sufficient financial reserves, we believe, to pay the level of claims that would result from a catastrophic hurricane. In the event of a serious storm, Citizens may be forced to turn to public funds again.

The new multi-peril option, I know it's in dispute now, but however you feel about it, we need to get to the bottom of the effect it will have on our

State insurers and catastrophic funds. It could offer new fiscally sound choices for those in high-risk areas. It has the potential to help address wind insurance availability so that the public is not on the hook for claims when the next storm hits.

If the new option is successful in making insurance available to areas where private insurers refuse to go, multi-peril and this wind storm option could relieve the pressure on State insurers like Citizens in Florida. But serious questions remain to be answered about how these State and Federal programs will interact.

Will State insurers leave room in the market for an actuarially based Federal program to achieve high enough enrollment to make a difference?

Will State policies change to help their citizens take advantage of the Federal multi-peril program?

How will enrollment rates of State plans change to reflect the new Federal entrant into the market?

These are important questions for both Congress and States to ask. There will also undoubtedly be interaction between State and Federal programs that will affect enrollment in ways that we cannot anticipate.

So, Mr. Chairman, the study commissioned in this bill will provide vital information to help officials at all levels of government work together to better understand and administer the new multi-peril and wind storm option.

Mr. Chairman, I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I rise to claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN (Mr. ROSS). Without objection, the gentlewoman from West Virginia is recognized for 5 minutes.

There was no objection.

Mrs. CAPITO. Mr. Chairman, I would like to yield 2 minutes to the gentleman from Illinois (Mr. ROSKAM).

Mr. ROSKAM. Mr. Chairman, I find it ironic, actually, that this amendment, which has its merits, is being advanced, but that other amendments that are sort of similarly situated weren't placed in order. For example, this amendment says that in 9 months the GAO is going to be charged with the responsibility, essentially, of looking back for the past 9 months and looking at the impact on State insurance programs. Great. Really no argument there.

But if looking back is a good idea, isn't looking forward a good idea too? Isn't a prospective look forward at the possibility something that we ought to be doing?

I just find it concerning that we're willing to put a potential program, put the brakes on a potential program and be reflective, when we, at this very moment in time, as we sit here today, as we stand here today, we have the opportunity to accomplish this task by asking the GAO to look forward and look at the impact of this. This is part of the amendments that were, unfortunately, ruled out of order and were not allowed to be brought to the House and we're going to be denied an opportunity to have an up or down vote on the wind program, as Mr. HENSARLING had suggested in his amendment. And yet we're being told, well, you know what, take a glance back after 9 months and let's sort of see how we're doing. And, oh, by the way, we tend to ignore what the GAO says anyway since they've put the National Flood Insurance Program on a high-risk watch list, essentially; and without any managerial changes we're entrusting that group that is on a watch with this great responsibility.

And I think this amendment really brings that real concern to mind, that those of us on this side of the aisle were not being given the opportunity to really debate this in totality.

Ms. CASTOR. Mr. Chairman, I appreciate the comments of my colleague from Illinois, and there certainly is a prospective, forward-looking request of the GAO, and it builds upon the very thoughtful initiative by my colleague from Florida, Ms. BROWN-WAITE, and the chairman of the committee, Mr. FRANK.

I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Chairman, at a meeting of the committee, I thought the gentleman was present, the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) asked if I would join in a letter to the GAO asking very many of the questions he asked. I have the letter, dated August 9, 2007. And earlier in the general debate, Ms. BROWN-WAITE asked me to engage in a colloquy and commit to taking seriously the recommendations. So we have already asked the GAO for a study, and I believe that study will be going forward.

And if it hasn't already been done, at the appropriate time I will place the letter that the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) and I sent to the GAO into the RECORD.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
*Washington, DC, August 9, 2007.*

Hon. DAVID M. WALKER,
*Comptroller General of the United States, Government Accountability Office, Washington, DC.*

DEAR MR. WALKER: We request that the Government Accountability Office (GAO) initiate a review into a variety of questions regarding the expansion of the National Flood Insurance Program (NFIP) to include an optional wind insurance program. The results of your review will assist congressional understanding of how such a program could be implemented and to what extent it would affect the private market.

As background, Section 7 of H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007 creates a new program at the NFIP designed to enable NFIP participants to purchase both wind and flood coverage in a single policy, A key provision of Section 7 requires that rates charged for this new, optional, wind coverage be risk-based and actuarially sound, so that the program collects premiums sufficient to pay all reasonably anticipated claims. In so stating, H.R. 3121 specificaIly departs from the method of determining actuarial rates currently used by the NFIP.

Under H.R. 3121 the NFIP would provide optional wind coverage in communities that already participate in the NFIP and that agree to adopt and enforce building codes and standards designed to minimize wind damage. In order for you to better understand the details of the new wind insurance program we have enclosed a copy of H.R. 3121, Section 7 with this request.

In addition to any issues you deem appropriate, we would like the GAO to initiate a comprehensive analysis and determination of the following:

1. The ability of the Federal Emergency Management Agency (FEMA) and the NFIP to implement an actuarially-sound (i.e., with rates priced according to risk, or as defined by standards and methods generally accepted by the actuary industry, incorporating up-to-date modeling technology, and taking into consideration administrative expenses) wind insurance program, including: whether FEMA's current staff and resources enable it to efficiently and effectively expand the NFIP to offer optional wind coverage; how actuarial rates for such coverage could be determined; the likelihood that consumers would purchase coverage at these rates; how this new coverage would be underwritten and sold; how claims arising from this new coverage would be adjusted and paid; whether FEMA's staff and resources are sufficient to be prepared to implement this new wind insurance program on or before June 30, 2008; what additional staff and administrative costs are necessary in order for FEMA to effectively implement and administer this new wind insurance program; and how the availability of optional wind insurance through the NFIP could affect the enforcement of the NFIP's mandatory purchase requirement for flood insurance.

2. The effects, if any, this program could have on existing State wind pools, including capitalization of, and participation in, the wind pools.

3. Whether expanding the NFIP to provide optional wind coverage could: affect the availability and affordability, over the long-term, of wind coverage nationwide; influence the development in private sector markets, including the surplus and non-admitted markets, for multiple peril insurance, or alternatives; result in adverse selection, whereby the wind insurance program could be under diversified and particularly vulnerable to large events; and lead to the development of lower, yet actuarially sound rates for wind coverage similar to wind coverage offered by the private sector, in the same geographic area.

4. To what extent, if any, the new wind insurance program could expose U.S. taxpayers to loss, including but not limited to the case of program deficit.

5. Are alternative methods available to provide NFIP participants with better wind coverage options.

6. To what extent, if any, gaps in coverage may still exist, between the coverage included under most homeowners policies, and the flood and wind coverage provided by the NFIP.

As referenced above, H.R. 3121 requires the NFIP to implement the new wind insurance program by June 30, 2008. For this reason, it is our strong hope that you complete your study provide us with your findings no later than April 1, 2008.

Thank you very much for your assistance as we attempt to further our understanding of these important issues related to the NFIP. If you have any questions regarding

this request, please contact Tom Glassic or Arnie Woeber.

Sincerely,

BARNEY FRANK.
GINNY BROWN-WAITE.

Mrs. CAPITO. Mr. Chairman, I yield myself such time as I may consume.

In listening to the debate over this amendment, my question becomes, if we move forward and make wind part of one of the insurable events under this program, and then we study, through the gentlelady's amendment, the effect this has on State insurance, and we find out, after it's already been put into effect, that it's too costly or it's damaging the insurability at the State level and other issues, what are we going to do then?

This is where it goes to my argument in the beginning that we're really entering into this prematurely, because we have so many unanswered questions.

Mr. Chairman, I reserve the balance of my time.

Ms. CASTOR. Mr. Chairman, I will reserve the balance of my time until it is time to close.

Mrs. CAPITO. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. CULBERSON).

Mr. CULBERSON. Mr. Chairman, I'd like to ask the author of the amendment if she'd be willing to accept an amendment that we also ask the GAO to examine the effects on the taxpayers of the United States of all the perils created by this legislation and the financial risk this exposes the taxpayers too, because, again I think it's vitally important for this House to recognize that the potential liability this legislation exposes the taxpayer to, as Mr. BAKER said earlier, there's about $19 trillion worth of insurable property around the coast of the United States. The flood insurance program's already $20 billion in debt, and the United States, according to the GAO, already faces potential liabilities, direct and indirect, not potential, direct and indirect liabilities of $50 trillion.

□ 1430

That works out to $170,000 per person. Every household in the United States would have to buy $440,000 worth of T bills today just to pay for the explicit and implicit liabilities of the United States.

And, finally, I would just remind the majority of something that my hero Thomas Jefferson said in his first inaugural address because of repeated attempts, this majority has shut out all amendments by the minority. Thomas Jefferson said that although the rule of the majority is in all cases to prevail, that rule to be rightful must be reasonable and must always protect the rights of the minority, which this majority has not done.

Ms. CASTOR. Mr. Chairman, I yield 30 seconds to the chairman of the committee.

Mr. FRANK of Massachusetts. First, Mr. Chairman, I hope the gentleman from Texas will remember this problem about spending when we again debate the proposal to spend hundreds of billions of dollars sending a manned spaceship to Mars, which I have been opposed to, and I hope he will join me in that unnecessary expenditure and oppose it.

Secondly, CBO says he is wrong. The wind part is written, unlike the flood part, to require actuarially sound policy premiums to break even, and CBO certified that it's there. So the notion that this is adding trillions or even billions to our debt is simply wrong, according to CBO.

Mrs. CAPITO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Ms. CASTOR. Mr. Chairman, just to close, rather than any attention placed on Mars, I am glad that here in the Congress we are able to place some attention on our coastal areas in this country that are at risk from catastrophic loss.

I urge approval of my amendment.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from Florida (Ms. CASTOR).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MS. CASTOR

The Acting CHAIRMAN. It is now in order to consider amendment No. 4 printed in part B of House Report 110–351.

Ms. CASTOR. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Ms. CASTOR:

In the matter proposed to be inserted by section 7(d) of the bill, in paragraph (2) of subsection (d) strike ''windstorms'' and insert ''windstorms, discourage density and intensity or range of use increases in locations subject to windstorm damage, and enforce restrictions on the alteration of wetlands coastal dunes and vegetation and other natural features that are known to prevent or reduce such damage''.

The Acting CHAIRMAN. Pursuant to House Resolution 683, the gentlewoman from Florida (Ms. CASTOR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Florida.

Ms. CASTOR. Mr. Chairman, I yield myself such time as I may consume.

This amendment will help protect homeowners in coastal areas from windstorms by ensuring that natural wind barriers remain intact. It instructs the Director of FEMA to consider natural protective sand dunes and wetlands when developing criteria for the multi-peril insurance. No matter how you feel about the multi-peril option in this bill, I think everyone will agree that it is in our country's best interest to discourage any investment of public dollars in those areas.

One of the most sensible features of the National Flood Insurance Program is the requirement that in order to remain eligible, communities must enact strong growth management laws, flood mitigation strategies that will help prevent catastrophic losses rather than just responding to them when they occur. The bill we are considering today expands the national flood insurance with an optional wind component. Just like flood policies, wind policies will be contingent on prevention and mitigation activities developed by FEMA.

While it's absolutely imperative that homeowners themselves take the initiative to prepare their properties for windstorms, some of the best mitigation and prevention measures naturally exist along the coast. So no matter what your opinion is of the multi-peril option, if government is going to offer a multi-peril option for windstorm damage, our interest should be in doing all we can do to reduce the risk side of the equation. In the event of a hurricane, wetlands and coastal dunes act as shock absorbers, and these natural environmental features bear the brunt of the monumental pounding of wind so that homes, businesses, and schools don't have to.

I am also going to recognize another colleague, but at this time I urge approval of the amendment.

Mr. Chairman, I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I would like to claim time in opposition, although I am not opposed to the gentlewoman's amendment.

The Acting CHAIRMAN. Without objection, the gentlewoman from West Virginia is recognized for 5 minutes.

There was no objection.

Mrs. CAPITO. I would like to yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Chairman, I just want to say I'm confused here. This is opening up the floodgates for coastal development. Whom are we fooling here? As a matter of fact, I just understood that U.S. PIRG and a lot of pro-environmental groups are opposing this. It puts me on an odd side of things. But whom are we kidding? This is all about coastal development. And don't say, when you're knocking over the marshland, don't touch that sand dune. If you're serious about sand dunes, if you're serious about the wetlands, if you're serious about the environment, the fragile coastal environment, you will oppose this bill. This is the best thing in the world for developers. In fact, I'm a little bit surprised that developers aren't knocking down the doors and saying to fiscal conservatives who are opposing the bill for that, what are you doing? This is the best thing.

The great State of Florida, where I have vacationed and so many other people do, we all love the State of Florida and its natural environment. But, goodness gracious, Carl Hiaasen wrote the book ''Strip Tease.'' I mean, there's book after book about overdevelopment in Florida.

That is all this whole bill does is allow continued overdevelopment in the coastal area of Florida and other environmental areas. So to have a fig leaf here to say, well, don't worry, FEMA is going to worry about that sand dune and those sea oats in the coastal area, that's a very mixed signal.

Let me yield to my friend from Massachusetts, who I am sure has some great wisdom for this confused guy.

Mr. FRANK of Massachusetts. As the gentleman knows, I was opposed to the Rules Committee's decision to keep out several Republican amendments. I now regret that even more because if the gentleman had a real amendment to argue for, he wouldn't be making these badly strained irrelevant arguments on this particular poor little amendment. It really doesn't deserve all the rhetoric it's getting.

Mr. KINGSTON. Mr. Chairman, I reclaim my time.

I want to say to Mr. FRANK, do you not agree with me that this is the greatest development bill there is?

The Acting CHAIRMAN. The time of the gentleman from Georgia has expired.

Ms. CASTOR. Mr. Chairman, I yield 30 seconds to the chairman.

Mr. FRANK of Massachusetts. Mr. Chairman, to answer the direct question by the gentleman, no, I would not say this is the greatest development bill. But I would also say he says he was puzzled. Not as puzzled as I am in trying to figure out what in the world this had to do with the amendment we are dealing with. Maybe it is considered, I don't know, stuffy to deal with the amendment under consideration. I always prefer it as a method of debate.

Mrs. CAPITO. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Let me restate. Right now it is a fact homeowners and lenders are having trouble getting flood insurance and windstorm insurance in the areas where there are lots of floods and lots of windstorms, coastal areas. This allows them to get it at an economic price that is a lot lower than the private sector because it's a government subsidy. Therefore, America, being great entrepreneurs, this is a very pro-growth, pro-development amendment. I cannot understand how you would not agree with that.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KINGSTON. I yield to the gentleman.

Mr. FRANK of Massachusetts. In the first place, the flood part environmentalists strongly support because it restricts where people can go and raises the fee. As to the wind part, it's not a subsidy.

Mr. KINGSTON. Let me reclaim my time just to bite on that piece of the apple.

Mr. FRANK of Massachusetts. If you don't like the answer, don't ask the question.

Mr. KINGSTON. Reclaiming my time, Mr. Chairman, let me say this. We just passed an amendment for people who have to buy insurance. They don't have to buy insurance. They can move. If they are living in areas that are susceptible to flood, this is still a free America. They can move on. So we are encouraging them to move into flood areas and windstorm areas that are critical environmental areas.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KINGSTON. Yes.

Mr. FRANK of Massachusetts. The amendment that you are talking about specifically did not encourage anybody to move. It dealt with people who are already there, having moved there previously, found subsequently they were in a flood area. But the general thrust of the bill on flood, strongly supported by environmentalists, is to increase the amount that's charged in many cases and to restrict the building.

As to wind, there is no subsidy. It is required to be actuarially soundly financed. So, yes, it's a government program, but one without any subsidy to the homeowner on the wind part.

Mr. KINGSTON. Reclaiming my time, Mr. Chairman, just to emphasize this point. This creates a stable predictability in the insurance premium by the homeowner and developer. Therefore, it makes it easier to develop in a coastal area.

Listen, I understand what you are doing, but I just think this fig leaf of an amendment saying let's protect the environment is a little bit silly because the entire point of the bill disregards the environment.

Ms. CASTOR. Mr. Chairman, I yield 1 minute to my colleague from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I am actually encouraged by some of the common expression that is here. I share some of my friend from Georgia's reservations about where we are getting into with wind coverage. The chairman is right when he noted the focus on restrictions for flood insurance to reduce the problems you are talking about is in the underlying bill. What my good friend from Florida is offering is if you are going to be in this area dealing with wind peril that there is a requirement to discourage elements in the land uses that will not make it worse.

So you are both on the same side. You may want to go further with the wind peril. I am open to that. We are not done with this legislation yet. There are unanswered questions. I agree with you. But in the meantime, acknowledging what the committee has done to narrow the scope with flood insurance peril, which is, I think, extraordinarily positive, and the gentlewoman is speaking out for solid land use, having the natural barriers protected, that will save all of us money.

I am optimistic. If we can talk this through, there are enough elements here that will be good for the environment, good for the taxpayer, and under the leadership of Chairman FRANK, I am convinced we can get there before we're done.

Mrs. CAPITO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Ms. CASTOR. Mr. Chairman, the Federal multi-peril option must not be an invitation to develop on our sensitive natural coasts, and we must protect the natural windbreaks like the coastal dune areas. That is why it is important to instruct FEMA, as they develop the eligibility criteria for the multi-peril program, that they must take into account the natural protective features.

Mr. Chairman, I urge my colleagues to adopt this amendment and protect the natural wind barriers that will make damage mitigation efforts more manageable.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from Florida (Ms. CASTOR).

The amendment was agreed to.

AMENDMENT NO. 5 OFFERED BY MR. BLUMENAUER

The Acting CHAIRMAN. It is now in order to consider amendment No. 5 printed in part B of House Report 110–351.

Mr. BLUMENAUER. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. BLUMENAUER:

Subsection (k)(2) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by adding at the end the following new subparagraph:

''(C) EFFECTS OF GLOBAL WARMING.—In updating and maintaining maps under this section, the Director shall—

''(i) take into consideration and account for the impacts of global climate change on flood, storm, and drought risks in the United States;

''(ii) take into consideration and account for the potential future impact of global climate change-related weather events, such as increased hurricane activity, intensity, storm surge, sea level rise, and associated flooding; and

''(iii) use the best available climate science in assessing flood and storm risks to determine flood risks and develop such maps.''.

The Acting CHAIRMAN. Pursuant to House Resolution 683, the gentleman from Oregon (Mr. BLUMENAUER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Chairman, I am, in fact, encouraged with some of the discussion that is here today. If we sort of cut through some of the areas where people are cranky, as I understand it, I think we are looking at some broad areas of agreement that, at the end of the day, we are going to have a stronger flood insurance program that will be able to answer some

of these questions. I have an amendment that I think will further strengthen this because, as we learned during Katrina, there is more work to be done to make sure that the flood insurance program is able to fulfill its mission of providing flood insurance and helping communities reduce that flood risk.

Now, I am pleased that the underlying legislation makes some very important reforms to the program that I have been involved with for the last 6 years.

□ 1445

What I propose in this amendment is an adjustment to the legislation to help ensure that FEMA is better prepared for current and future risks and that people have the information that they need to reduce their own risk. The amendment simply requires FEMA to take into consideration the impacts of global warming, current and future, when updating and maintaining flood insurance program rate maps.

The flood insurance maps are significantly outdated; over 75 percent of them are at least 10 years old. Not only are they outdated, but they estimate risk by extrapolating solely from historic loss, as my friend from Louisiana (Mr. BAKER) pointed out earlier.

Unfortunately, it looks like the future will bring new weather patterns. A recent report from the Intergovernmental Commission on Climate Change, the leading group of climate scientists from around the world, indicated that, with climate change, future hurricanes will become more intense, with larger peak wind speeds and heavier precipitation. Changes in snow pack and sea level rise will also have a significant impact on flood risk. These impacts are not currently considered in the floodplain map modernization effort.

My amendment will improve upon this mapping program by ensuring that FEMA is prepared to improve the mapping accuracy. It will require the Director to take into consideration the impacts of global warming on flood, storm and drought risk; and take into consideration the potential future impacts of local climate change, weather-related events; and use the best available climate science in assessing flood risks and updating FEMA maps.

Mr. Chairman, I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIRMAN. The gentlewoman from West Virginia is recognized for 5 minutes.

Mrs. CAPITO. I would like to ask the author of this amendment a couple of questions just for my own clarification, if I could.

First of all, when you're directing FEMA to use the most up-to-date science on global climate change and weather-related issues, does FEMA currently have this technology available? Where does this technology exist for FEMA? And with what type of accuracy can you predict that FEMA will be able to predict? I know FEMA is in the business of declaring where floodplains are; it has a lot of science connected with this. Where is this technology coming from? What sophistication of the equipment exists, and how do you think these will be arrived at?

I yield to the gentleman from Oregon.

Mr. BLUMENAUER. Excellent question. Around the world, scientists are a part of this consensus, and we are refining tools. One of the problems with this administration is they've been trying to stifle, as you know, scientists within the administration speaking out on this, and we have undercut investment in these resources.

The fact is that there is better information now for climate change. I have no problem whatsoever of our being able to invest to increase it further, but there is a global scientific consensus, there is investment in NASA, there are already resources within the Federal Government. They are not currently used now by FEMA, the stuff that we've got now, let alone what we're going to have in the future.

Mrs. CAPITO. Well, my question would be, if that's available to FEMA now to be able to more accurately predict the ebb and flow of water across the United States and the coastal regions, why isn't that being used by FEMA right now, if that's available? Is it statutorial?

Mr. BLUMENAUER. As my friend, Mr. BAKER, pointed out when he was arguing a few moments ago, they use a different pattern, a different model right now. What we're doing with this legislation is we are requiring them to change the model, use the information that's available right now by the Federal Government, hopefully the Bush administration won't try and stifle it, and use that for forecasting current and prospective. Right now they don't do it in their modeling, and there's no reason why they can't. This legislation would require it.

Mrs. CAPITO. Then going further from what you're saying, is what you're really saying changing the entire FEMA modeling perspective, or putting this on top of what is already existing at FEMA?

Mr. BLUMENAUER. What we're saying now is that we are in a world that everybody else acknowledges is rapidly changing. It looks like climate change, global warming is a reality, and just using straight-line extrapolation for FEMA to determine 100-year flood plains or 500-year floodplains doesn't work because it is changing much more rapidly than past patterns would expect.

So we ought to use the best available science here and around the world to look at what's likely to happen in the future. FEMA doesn't currently do that. They look at flat-line projections of past activity, not looking at using the best available science for what's going to happen in the future.

Mrs. CAPITO. Thank you. I have a lot of questions about the answer to the question I just asked; but at this point, I will yield 1 minute to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. I want to say to my friend, I actually think that you're feeling around the right part of the woods on this stuff. This is actually an important amendment; but I, like the gentlewoman from West Virginia, really doubt FEMA's expertise in solving this problem. And I hope that during the legislative process of this you can maybe shore up the language to say that they ought to have somebody with a lot better scientific and organizational mind than they would be in this. I mean, I keep thinking FEMA-Katrina, not a good idea to let them study anything. In fact, there are a whole slew of amendments here that probably won't be speaking of, but it gives FEMA instructions and directions to do this and that. I don't have the faith in FEMA which your side apparently does. I think this is like asking the post office to do an efficiency study; it's just not a good idea.

But I do believe that you should put in there something about rising tides because you don't have anything about tidal levels. In the State of Georgia, we have a 7-foot tide, Florida has about a 1- or 2-foot tide. That stuff all makes a difference.

Mr. BLUMENAUER. Mr. Chairman, may I inquire as to the time remaining.

The Acting CHAIRMAN. The gentleman from Oregon has 2½ minutes remaining; the gentlewoman from West Virginia has 1 minute remaining.

Mr. BLUMENAUER. Let me just take 30 seconds here.

This is something that isn't unknown. GAO found that 11 out of 11 insurance companies that they surveyed already incorporate this into their risk models. FEMA can do this using the private sector, and it can use government data that the Bush administration has been suppressing now in other areas, open it up, let these climate scientists that work in other parts of the government advise FEMA, or contract with the private sector. It's not hard to find the information.

Mrs. CAPITO. I yield 30 seconds to the gentleman from Georgia.

Mr. KINGSTON. I want to say to my friend, again, I support what you're after; I think this is a serious amendment. But when you say this information is out there, FEMA can get it, it was also well known that people were in the Superdome, but FEMA had trouble figuring that out and what to do about it. So just keep in mind who you're giving this authority to. But I do want to say to the gentleman, I understand what you're after, and I think it's important.

Mrs. CAPITO. I think the gentleman's amendment has great merit, but I question the fact that he's already

mentioned that the data that we're using in the future, the data that we're using to come about insurance rates in this flood bill, how can we then add on wind as another peril when we're not sure that the data that we're using to predict future weather forces is accurate at all?

Mr. Chairman, I yield back the balance of my time.

Mr. BLUMENAUER. In conclusion, Mr. Chairman, I understand the reticence that my good friend from Georgia would have giving the current administration of FEMA more tools. I'm sorry he's beating up on the administration, but I understand it. They haven't shown that they're very adept. But think of this as longer-term legislation. There will be a new administration; there will be professionals who are there. The point is that, whoever is there, they need to use the most up-to-date, modern information to think about what's going on in the future.

The science is already available in parts of the Federal Government right now that could be used. The information is available that the private sector is already using. All this amendment says, notwithstanding that I share your concern about who's running it now, but that will change, I guarantee you, that when it changes, and even until it changes, we can give them a mandate to look at the bigger picture and factor climate change in. And I am open to working with the gentleman in terms of whether it's contracted, or it's Federal information, or it's from other international sources. The point is they currently do not do it; we haven't instructed them to do it. This is one thing we can't blame on the inept FEMA administration; it's something that Congress needs to change. And with your help, we can approve this amendment, we'll change their marching orders, we will have the big picture, and it's one of these things we can agree on, work on together, and we will all be better off.

I urge approval of the amendment.

Mr. WELCH of Vermont. Mr. Chairman, first, I want to thank the gentleman from Massachusetts, Mr. FRANK and the gentlewoman from California, Ms. WATERS, for their hard work in preparing H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007. I have received positive feedback from the Regional Planning Commissioners and emergency managers in support of this bill. The Planning Commissioners and emergency managers serve on the front-line of declared disasters and work with both towns and FEMA. In fact, Vermont has recently dealt with several significant flooding events and this legislation will go a long I way to improving our response in the aftermath. This bill also provides much needed reform of the National Flood Insurance Program, NFIP.

I also want to thank the gentleman from Oregon, Mr. BLUMENAUER, for his thoughtful amendment and working with me and Representative GILCHREST as co-sponsors. This bi-partisan amendment requires FEMA to consider modern climate science when mapping floodplains. Current flood maps do not take into account critical information beyond past flooding history. Accurate floodplain maps incorporating scientific global warming impact predictions will ensure that citizens are aware of the future flood risks in their communities and help prevent the loss of human life, property, and important wildlife habitat. Communities will be able to use these maps in considering their own land use planning and development projects.

I believe that the focus on global warming adaptation planning is critical while Congress also moves forward to aggressively address climate change through legislation. Adaptation includes addressing the occurrence and likelihood of more frequent, intense, and severe storms bringing our rivers and streams beyond flood stage; sea-level rise flooding coastal and tidal communities that may even be hundreds of miles inland; reduced snow-pack that is changing annual runoff and water collection; and of course the impact of hurricanes; all of which are resulting in significantly greater flooding across the nation.

Vermont communities like Barre or, our capitol of Montpelier are finding that surrounding rivers and streams are more unpredictable—large rain events have resulted in dramatic river and stream bank erosion that promotes flooding in nearby towns. Rivers and streams are overflowing in areas that were not typically flooded. We are finding flooding events both in and out of current flood plains where people have lost property due to sudden and unexpected river and stream rise. Many of these families are low-income and their homeowners insurance, if they have it, does not cover their claims. And of course, they don't qualify for SBA disaster assistance loans.

We believe that changing weather patterns require the tools for smart land use and development decision-making. Updated climate science flood mapping will help all citizens make informed decisions on flood risks and the need to purchase flood insurance. Updated flood maps will also aid communities in smart growth planning to minimize the risk of flooding to their cities and towns.

This amendment has received strong support by the National Wildlife Federation, U.S. Public Interest Group, Sierra Club, League of Conservation Voters, Natural Resource Defense Council, Friends of the Earth, Audubon, Earthjustice, American Rivers, Republicans for Environmental Protection, and the Union of Concerned Scientists.

I strongly urge my colleagues to support this amendment.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. BLUMENAUER).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. PATRICK J. MURPHY OF PENNSYLVANIA

The Acting CHAIRMAN. It is now in order to consider amendment No. 6 printed in part B of House Report 110–351.

Mr. PATRICK J. MURPHY of Pennsylvania. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. PATRICK J. MURPHY of Pennsylvania:

At the end of the bill, add the following new section:

**SEC. 30. NATIONAL FLOOD INSURANCE ADVOCATE; REPORTS.**

Chapter II of the National Flood Insurance Act of 1968 is amended by inserting after section 1330 (42 U.S.C. 4041) the following new section:

**"SEC. 1330A. NATIONAL FLOOD INSURANCE ADVOCATE.**

''(a) ESTABLISHMENT OF POSITION.—

''(1) IN GENERAL.—There shall be in the Federal Emergency Management Agency a National Flood Insurance Advocate. The National Flood Insurance Advocate shall report directly to the Director and shall, to the extent amounts are provided pursuant to subsection (c), be compensated at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, or, if the Director so determines, at a rate fixed under section 9503 of such title.

''(2) APPOINTMENT.—The National Flood Insurance Advocate shall be appointed by the Director and the flood insurance advisory committee established pursuant to section 1318 (42 U.S.C. 4025) and without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or the Senior Executive Service.

''(3) QUALIFICATIONS.—An individual appointed under paragraph (2) shall have—

''(A) a background in customer service as well as insurance; and

''(B) experience in representing individual insureds.

''(4) RESTRICTION ON EMPLOYMENT.—An individual may be appointed as the National Flood Insurance Advocate only if such individual was not an officer or employee of the Federal Emergency Management Agency with duties relating to the national flood insurance program during the 2-year period ending with such appointment and such individual agrees not to accept any employment with the Federal Emergency Management Agency for at least 5 years after ceasing to be the National Flood Insurance Advocate. Service as an employee of the National Flood Insurance Advocate shall not be taken into account in applying this paragraph.

''(5) STAFF.—To the extent amounts are provided pursuant to subsection (c), the National Flood Insurance Advocate may employ such personnel as may be necessary to carry out the duties of the Advocate.

''(b) DUTIES.—The duties of the National Flood Insurance Advocate shall be to conduct studies with respect to, and submit, the following reports:

''(1) REPORT ON PROBLEMS OF INSUREDS UNDER NATIONAL FLOOD INSURANCE PROGRAM.—Not later than the expiration of the 12-month period beginning on the date of the enactment of the Flood Insurance Reform and Modernization Act of 2007, the National Flood Insurance Advocate shall submit a report to the Congress regarding the national flood insurance program, which shall—

''(A) identify areas in which insureds under such program have problems in dealings with the Federal Emergency Management Agency relating to such program, and shall contain a summary of at least 20 of the most serious problems encountered by such insureds, including a description of the nature of such problems;

''(B) identify areas of the law relating to the flood insurance that impose significant compliance burdens on such insureds or the Federal Emergency Management Agency, including specific recommendations for remedying such problems;

''(C) identify the 10 most litigated issues for each category of such insureds, including recommendations for mitigating such disputes;

''(D) identify the initiatives of the Agency to improve services for insureds under the national flood insurance program and actions taken by the Agency with respect to such program;

''(E) contain recommendations for such administrative and legislative action as may be appropriate to mitigate or resolve problems encountered by such insureds; and

''(F) include such other information as the National Flood Insurance Advocate considers appropriate.

''(2) REPORT ON ESTABLISHMENT OF AN OFFICE OF THE FLOOD INSURANCE ADVOCATE.—Not later than the expiration of the 6-month period beginning on the date of the initial appointment of a National Flood Insurance Advocate under this section, the Advocate shall submit a report to the Congress regarding the feasibility and effectiveness of establishing an Office of the Flood Insurance Advocate, headed by the National Flood Insurance Advocate, to assist insureds under the national flood insurance program in resolving problems with the Federal Emergency Management Agency relating to such program. Such report shall examine and analyze, and include recommendations regarding—

''(A) an appropriate structure in which to establish such an Office, and appropriate levels of personnel for such Office;

''(B) other appropriate functions for such an Office, which may include—

''(i) identifying areas in which such insureds have problems in dealing with the Agency relating to such program;

''(ii) proposing changes in the administrative practices of the Agency to resolve or mitigate problems encountered by such insureds; and

''(iii) identifying potential legislative changes which may be appropriate to resolve or mitigate such problems;

''(C) appropriate procedures for formal response by the Director to recommendations submitted to the Director by the National Flood Insurance Advocate;

''(D) the feasibility and effectiveness of authorizing the National Flood Insurance Advocate to issue flood insurance assistance orders in cases in which the Advocate determines that a qualified insured is suffering or about to suffer a significant hardship as a result of the manner in which the flood insurance laws are being administered or meets such other requirements may be appropriate, including examining and analyzing—

''(i) appropriate limitations on the scope and effect of such orders;

''(ii) an appropriate standard for determining such a significant hardship;

''(iii) appropriate terms of flood insurance assistance orders; and

''(iv) appropriate procedures for modifying or rescinding such orders;

''(E) the feasibility and effectiveness of establishing offices of flood insurance advocates who report to the National Flood Insurance Advocate, including examining and analyzing—

''(i) the appropriate coverage and geographic allocation of such offices;

''(ii) appropriate procedures and criteria for referral of inquiries by insureds under such program to such offices;

''(iii) allowing such advocates to consult with appropriate supervisory personnel of the Agency regarding the daily operation of the offices; and

''(iv) providing authority for such advocates not disclose to the Director contact with, or information provided by, such an insured;

''(F) appropriate methods for developing career paths for flood insurance advocates referred to in subparagraph (E) who may choose to make a career in the Office of the Flood Insurance Advocate; and

''(G) such other issues regarding the establishment of an Office of the Flood Insurance Advocate as the National Flood Insurance Advocate considers appropriate.

''(3) DIRECT SUBMISSION OF REPORTS.—Each report required under paragraph (2) shall be provided directly to the Congress by the National Flood Insurance Advocate without any prior review or comment from the Director, the Secretary of Homeland Security, or any other officer or employee of the Federal Emergency Management Agency or the Department of Homeland Security, or the Office of Management and Budget.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 2008 and each fiscal year thereafter such sums as may be necessary to carry out this section.''.

The Acting CHAIRMAN. Pursuant to House Resolution 683, the gentleman from Pennsylvania (Mr. PATRICK J. MURPHY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Pennsylvania.

Mr. PATRICK J. MURPHY of Pennsylvania. Mr. Chairman, I yield myself 2 minutes.

I come before you today, Mr. Chairman, on behalf of Anne Beck of Erwinna, Pennsylvania; Tony Plescha of Yardley, Pennsylvania; Nancy Rees of Yardley, Pennsylvania; and thousands of families across my district of Bucks County who have been hit by three floods in 3 years.

Mr. Chairman, I ask my colleagues to picture a family distraught, a home in tatters, and rain that just won't stop. If that family asked for help, either from their insurance company or from FEMA, they would face a maze of bureaucracy instead of relief. As of right now, there is no one who will fight for families or business owners who seek assistance in rebuilding after a catastrophic storm.

We are trying to change that here today. With this amendment, we are looking to create the Office of the Flood Insurance Advocate, someone to fight for all of us when we need help the most.

Modeled after the successful Taxpayer Advocate Service at the IRS, this office would fight the battles for weary, rain-soaked families and businesses looking to rebuild.

In creating the Flood Insurance Advocate, our measure would help cut through the red tape. The National Flood Insurance Advocate would do two major things: the first, report to Congress about problems facing the flood insurance program; and, second, determine the most effective way to create the Office of the Flood Insurance Advocate nationwide.

Mr. Chairman, families and businesses back home need our help.

I now yield 3 minutes to the distinguished gentleman from New York, a colleague in the Blue Dog Coalition, Mr. MIKE ARCURI.

Mr. ARCURI. Mr. Chairman, I rise to join my good friend from Pennsylvania (Mr. PATRICK J. MURPHY) in strong support of this amendment and the underlying legislation.

I would like to thank the distinguished chairman of the Financial Services Committee for producing a bill that updates the National Federal Insurance Program to meet the needs of the 21st century. It improves flood mapping; increases financial accountability; and is comprehensive, responsible public policy that will benefit thousands of Americans in the highest risk areas.

Mr. Chairman, across my district in upstate New York, the increasing frequency and destructive power of rainstorms and snow melts in recent years has caused flooding disasters which have seriously damaged homes and businesses in a number of communities.

Some of these communities in the Susquehanna River Basin, like the city of Oneonta, suffered a fate last year similar to the areas in Pennsylvania situated in the Delaware River Basin. The city of Oneonta experienced very damaging flooding in June of 2006 caused by severe rainstorms. However, it is now September of 2007, and there are local homeowners and businesses still wrestling with FEMA's burdensome claims process waiting on settlements they were assured as National Flood Insurance Program policyholders.

Mr. Chairman, the same is true for the local city government in Oneonta. It took almost 1 whole year after the disaster for FEMA to fully reimburse the city for repairs to public infrastructure severely damaged during the floods. Even after many months of persistence at the regional FEMA office, the city was left with no recourse and had to seek the assistance of my office for intervention.

Finally, after encountering hurdle after hurdle for a year, the city received their reimbursement from FEMA. We should ask ourselves, should we not strive to create more efficiency in an agency that is still learning lessons in the aftermath of Katrina and Rita?

□ 1500

Mr. Chairman, the amendment Mr. MURPHY and I are offering today will study the feasibility of creating an independent office within FEMA. Its primary task will be to help local homeowners and business owners in Upstate New York and across the U.S. to navigate the often tedious and complicated Federal flood insurance claims system within the National Flood Insurance Program.

The amendment establishes a National Flood Insurance Advocate, which would be tasked with providing insurance policyholders across the U.S. with a type of ombudsman to represent the public interest by investigating and addressing complaints. The amendment also requires that the National Flood Insurance Advocate report to Congress with analysis of the major

problems facing the National Flood Insurance Program. This National Flood Insurance Advocate is based on the successful model of the Taxpayer Advocate Service, which has helped countless constituents navigate the Internal Revenue Services.

Mr. Chairman, I urge my colleagues to support the adoption of this amendment, and I urge support for passage of the bill.

Mrs. CAPITO. Mr. Chairman, I would like to claim time in opposition to the amendment, but I am not necessarily opposed to it.

The Acting CHAIRMAN. Without objection, the gentlewoman from West Virginia is recognized for 5 minutes.

There was no objection.

Mrs. CAPITO. Mr. Chairman, I would like to yield 2 minutes to the gentleman from Texas (Mr. CULBERSON).

Mr. CULBERSON. I am glad we are considering this amendment to have FEMA give us a comprehensive report of the problems facing the flood insurance program. We already established that this legislation, in essence, is going to create a public-private partnership in which the insurance companies are going to collect the premium and the taxpayers are going to pay the bill. We have already established, as Mr. BAKER pointed out earlier, that there is potentially $19 trillion worth of valuation of property out there along the coastlines that are, again, a risk that the taxpayers are assuming. The TRIA legislation, Terrorism Risk Insurance legislation that the liberal leadership of this House pushed through last week puts taxpayers potentially on the hook for $100 billion.

I wanted, if I could, to just get an answer to my question in the time that I have got. Other than Social Security and Medicare and not counting the Mars program that the chairman mentioned, because there is no such program, can the chairman or anyone else on that side identify a single piece of legislation that has created a bigger potential risk to the taxpayers than this bill? This, I won't say boondoggle, but this piece of legislation creates potentially trillions of dollars worth of liability. Is there any piece of legislation you can identify other than Social Security or Medicare that creates potentially trillions of dollars worth of liability to the taxpayers?

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CULBERSON. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Virtually every piece of legislation we deal with, because this legislation has two parts, one part which will reduce an existing liability, that is, there is already out there a flood insurance liability. This bill, unanimously agreed to by all in the committee who worked on it, will reduce that in the flood part.

With regard to water, this will raise premiums and restrict placement. With regard to the new part, the wind part, it will create no liability, because as I have said several times, the bill strictly says that premiums will have to be actuarially sound. And CBO has certified that that is accurate. So CBO has certified this will, over time, produce no new liability on wind and save money on water.

Mr. PATRICK J. MURPHY of Pennsylvania. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, in closing, I want to tell you about Nancy Rees of Yardley, Pennsylvania. Over the last 3 years, Yardley was hit with three floods. Mrs. Rees came to our office because her insurance policy was rated with the wrong formulas. This seemingly simple mistake cost her an extra $10,000 per year in insurance premiums. $10,000 more a year. Thankfully for Mrs. Rees, after countless hours of working with our staff, she was successful. But in this case, a flood insurance advocate could have stood up for her in the wake of a major flood. That is why we need to pass this amendment.

Mrs. CAPITO. Mr. Chairman, I yield my remaining time to the gentleman from Texas (Mr. CULBERSON).

Mr. CULBERSON. In response to the distinguished chairman's point that the legislation requires that the program be actuarially sound, that is true that is in the bill that you produced here. However, the law also requires that the flood insurance program be actuarially sound. It is $20 billion in debt. The legislation before the House asked the Federal Government, the taxpayers, to assume a potential liability for the $19 trillion worth of insured property, a valuation of property just along the coastline. It is important to remember that the taxpayers of the United States are already facing liability of $50.5 trillion according to the Government Accountability Office. It is just irresponsible. It is dangerous to pass legislation like this, creating a massive new expansion of an existing program that is already $20 billion in debt at a time when the country faces massive debt and massive deficits. It is just irresponsible and dangerous.

I wanted to point out to the House and to the people out there listening, Mr. Chairman, that this legislation is fiscally irresponsible. It is dangerous.

Mr. Chairman, I urge the House to defeat it. It is a bad idea to pass on the liability like this to the taxpayers.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CULBERSON. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. The mistakes the gentleman makes are these; the basis on which the flood insurance policies are set is different. The one in this bill, the wind policy, it is a much tougher requirement to be actuarially sound. And CBO, unlike the gentleman from Texas, can read the bill.

Mr. CULBERSON. This is a brand new liability that we are passing on to my daughter and to the children of America, to the people of the United States who are already saddled with $15.5 trillion worth of liability, and it is just irresponsible. It is unacceptable. It is outrageous to create a massive new program like this that if it passes that could create, potentially, liability in the trillions of dollars. That is my point. There has never been a more expensive nor more massive creation of potential liability to the taxpayers than this legislation before the House today. That is my point.

Mr. Chairman, I urge every Member who cares about the fiscal solvency of the United States to vote ''no'' against this legislation.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. PATRICK J. MURPHY).

The amendment was agreed to.

AMENDMENT NO. 7 OFFERED BY MR. TAYLOR

The Acting CHAIRMAN. It is now in order to consider amendment No. 7 printed in part B of House Report 110–351.

Mr. TAYLOR. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. TAYLOR:

In the matter proposed to be inserted by the amendment made by section 7(a)(2) of the bill, in subsection (c)(7)(A), after ''residential properties'' insert the following: '', which shall include structures containing multiple dwelling units that are made available for occupancy by rental (notwithstanding any treatment or classification of such properties for purposes of section 1306(b))''.

In the matter proposed to be inserted by the amendment made by section 7(a)(2) of the bill, in subsection (c)(7)(A)(ii), before the semicolon insert the following: '', which limit, in the case of such a structure containing multiple dwelling units that are made available for occupancy by rental, shall be applied so as to enable any insured or applicant for insurance to receive coverage for the structure up to a total amount that is equal to the product of the total number of such rental dwelling units in such property and the maximum coverage limit per dwelling unit specified in this clause''.

In section 8 of the bill, strike paragraph (3) and insert the following:

(2) in paragraph (4)—

(A) by striking ''$500,000'' each place such term appears and inserting ''$670,000''; and

(B) by inserting before ''; and'' the following: ''; except that, in the case of any nonresidential property that is a structure containing more than one dwelling unit that is made available for occupancy by rental (notwithstanding the provisions applicable to the determination of the risk premium rate for such property), additional flood insurance in excess of such limits shall be made available to every insured upon renewal and every applicant for insurance so as to enable any such insured or applicant to receive coverage up to a total amount that is equal to the product of the total number of such rental dwelling units in such property and the maximum coverage limit per dwelling unit specified in paragraph (2); except that in the case of any such multi-unit, nonresidential rental property that is a pre-FIRM structure (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4014

note)), the risk premium rate for the first $500,000 of coverage shall be determined in accordance with section 1307(a)(2) and the risk premium rate for any coverage in excess of such amount shall be determined in accordance with section 1307(a)(1)''.

The Acting CHAIRMAN. Pursuant to House Resolution 683, the gentleman from Mississippi (Mr. TAYLOR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Mississippi.

Mr. TAYLOR. Mr. Chairman, I thank the chairman of the committee for allowing this amendment to be considered and hopefully for his help on it.

Mr. Chairman, anyone who has traveled to south Mississippi or south Louisiana after the wakes of Hurricanes Rita and Katrina know we have an incredible housing shortage. Today, 19,000 Mississippi families are still living in FEMA trailers. They are grateful for the trailers. They would rather be someplace else. Part of that problem is, in particular, for renters. In addition to homes being destroyed, a heck of a lot of rental properties were destroyed.

Prior to this amendment, if you are a condo owner or building a condo, you can build a condo with as many number of units as you would like, and each one of those units can be insured up to the value of the Federal flood insurance program. If it is 100 units, each one of them can be insured up to $250,000. On the other hand, if you are considering building rental property, you have two strikes against you. Number one, in the wakes of Hurricanes Katrina and Rita, this private sector that so many people are saying are being so good to us have now said that just for wind insurance it is going to be $300 per unit per month even for a modest apartment.

Secondly, if you are considering building a building, you can insure that building for only $500,000. Whether it is one unit or 1,000 units, you can only get $500,000 worth of coverage for that entire building. It is a disincentive for the private sector to rebuild and to build the sort of housing that we need.

This amendment is all about parity. If we, as a Nation, can insure condominiums for folks who can afford to buy them, then we, as a Nation, ought to be making available insurance for folks who can't afford a condo but who need to rent a place to live.

Like every amendment that I have offered and every amendment that has been made in order, it has been judged by the Congressional Budget Office that this amendment will pay for itself. It has no impact on the Treasury.

Mr. Chairman, I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIRMAN. The gentlewoman from West Virginia is recognized for 5 minutes.

Mrs. CAPITO. Mr. Chairman, I rise today in opposition to this amendment offered by the gentleman from Mississippi. The bill we are debating today is troubled, I think, because of the deeply in-debt flood insurance program, and now we are not debating, because we were unable to debate on the full floor of the House whether we should include wind in this. Wind is in this bill as a peril. But what this amendment does is further expand that coverage that is very debatable, I think premature, has been unstudied, and I believe this would be very unwise to include this amendment as a coverage expansion.

We have talked about the fact that the flood insurance program owes the U.S. Treasury $18 billion. We have talked about the fact that at a hearing in July on whether we should add wind to the NFIP, that the National Association of Insurance Commissioners, insurance experts, environmental groups, floodplain management groups, Treasury and FEMA all opposed the initial expansion. And suffice it to say they would certainly oppose, or they could certainly oppose, an even further expansion of this that this amendment represents.

I think that the wind insurance premiums are supposed to be actuarially sound, and the chairman of the full committee has made that point several times. The majority of the NFIP policies are supposed to be actuarially sound. And yet, the nonpartisan GAO says that they are not actuarially sound. We know that very few government insurance programs are ever actuarially sound.

Mr. Chairman, I urge my colleagues to oppose this amendment and to avoid a further expansion that this new mandate in this amendment represents.

Mr. Chairman, I reserve the balance of my time.

Mr. TAYLOR. First, Mr. Chairman, I would like to encourage the gentlewoman, let's deal with the facts. If you have an organization that is opposed to this amendment, name the organization. But let's don't suppose for anyone whether they are for it or against.

Secondly, Mr. Chairman, I yield the remainder of my time to the chairman of the committee.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman, and I regret to say the entertainment value of what was not an exciting subject from the beginning appears to have gone down because the gentleman from Texas (Mr. CULBERSON) has left the floor. I thought his method of argument, which is the frequent repetition of error at increasing volume, added a certain panache to the proceedings. But since the last time he reiterated those errors, I thought it would be useful to correct them.

First of all, this bill and this amendment not only doesn't add to the Federal Government's liability, it diminishes existing liability. The flood program was allowed to get deeply in debt. This bill with respect to flood says that there will be higher premiums and there will be fewer buildings in the floodplain areas. So it clearly reduces. It is supported in that respect by environmentalists and taxpayers.

The wind part does add a new program. It adds a new program subject to the PAYGO rules, and it requires that it be strictly actuarially sound. Now, the gentleman from Texas could not seem to understand the basic distinction. He said, ''Well, the flood program was supposed to be actuarially sound and it isn't.'' True. That is why when we did the wind program, we wrote a much more specific and binding set of instructions that it be actuarially sound.

The fact is that the flaws that led the water program to be in debt are corrected in this bill. That is not simply the opinion of the author, the gentleman from Mississippi, or this committee. It is CBO, the Congressional Budget Office's certification. So the notion that this adds to liability is simply wrong. It will reduce the outgo with regard to the water program. With regard to the wind program, it is actuarially sound, and in this bill, if it begins to run into deficit, the program cuts off.

So an analogy between the wind funding and the water funding is flatly wrong. They are written differently. We have learned from our mistakes. And that is true of this amendment, too. The gentleman has offered an amendment that would increase coverage subject, again, to the very strict rules that say we will be actuarially sound.

Now, I have no particular hope that this is going to sink in everywhere, but it does seem to me to be useful to have the fundamental facts out there on the record.

□ 1515

Mrs. CAPITO. Mr. Chairman, I take heed to the gentleman's words from Michigan, and I tried to sort of recorrect my initial assumption that they would oppose the amendment. So I apologize for that.

Mr. Chairman, I would like to place in the RECORD letters from folks who do oppose the bill in general because of the wind addition. That would be: Friends of the Earth, National Wildlife Federation, U.S. Public Interest Group, America Insurance Association, Property Casualty Insurers, Financial Services Roundtable, Consumer Federation of America, Reinsurance Association of America.

SEPTEMBER 26, 2007.

Re: Support For the Blumenauer-Gilchrest Global Warming Amendment to H.R. 3121 and opposition to provisions expanding the National Flood Insurance Program (NFIP) to include wind coverage

DEAR REPRESENTATIVE: We write to express our support for the Blumenauer-Gilchrest Global Warming Amendment to the Flood Insurance Reform and Modernization Act, H.R. 3121. This amendment would require that the Federal Emergency Management Agency, FEMA, consider the impacts of global warming on flood risks as it administers

the National Flood Insurance Program, NFIP, Map Modernization Program. To adjust to the reality of global warming, Congress must require that the NFIP floodplain maps incorporate the best available climate science. Accurate floodplain maps will ensure that citizens are aware of the flood risks in their community and help prevent the loss of human life, property, and important wildlife habitat as we face more global warming-powered weather events.

Section 22 of H.R. 3121 provides much needed guidelines and ongoing mapping support for FEMA's map modernization effort. Flood insurance maps are the basic planning documents for the NFIP and provide a foundation for planning in developing communities. According to the Congressional Research Service, however, over 75 percent of the nation's 100,000 flood maps are at least 10 years old. Currently, H.R. 3121 fails to require FEMA to consider modern climate science when mapping floodplains. Under current methodologies, many of FEMA' s maps are already out of date and inaccurate when they are certified because they fail to take into account both critical new information beyond past flooding history, including the impacts of global warming. These outdated maps have resulted in more instances of storms with significantly greater flooding than predicted and give citizens a false sense of security that they will not be subject to flooding. This false sense of security is especially troubling as global warming's impacts become evident. Global warming will result in more flooding of coastal and riverine communities through intense hurricanes, reduced snow pack, and sea level rise.

The Blumenauer-Gilchrest Amendment would ensure that the FEMA Director consider impacts of global warming on our nation's flood risks and the potential future impact of global warming on the intensity of storms, storm surge modeling, sea level rise, and increased hurricane activity. Considerable experience exists in these areas, and the Blumenauer Amendment would ensure that FEMA incorporates the best available climate science into its mapping effort. We strongly support this amendment.

We urge Congress to oppose the multiperil, wind and flooding, insurance program in H.R. 3121, because it could overwhelm the NFIP, cost the taxpayers' billions, increase incentives to develop in hazard-prone and ecologically-sensitive coastal areas and floodplains, and place more lives, properties, and wildlife habitat at risk. We applaud Representative Taylor and other Members for raising the nation's awareness of the increasing risks associated with global warming-powered coastal storms. We are also sympathetic to citizens' desires to remove wind damage and flooding damage distinctions in homeowner's insurance policies in the aftermath of Hurricanes Katrina, Rita, and Wilma. Yet, we oppose adding a wind peril dimension to the NFIP because it would substantially undermine the program's already precarious financial position, would add greater risk and uncertainty especially for the taxpayers and the public, and would distract from the critical missions of the NFIP. Essentially, we must fix the NFIP before we expand it.

Hurricanes Katrina and Wilma have already driven the NFIP into the most dire financial condition in its history, now with a virtually insurmountable U.S. Treasury debt of approximately $18 billion. H.R. 3121 would mandate that FEMA begin the sale of a new federal wind insurance (multiple peril including wind and flood) beginning on June 30, 2008, right before the 2008 Hurricane Season and almost immediately increasing the exposure of the U.S. taxpayers to potentially billions of dollars in new claims. The chances of exposure of a catastrophic storm could swamp the national flood insurance program and leave it crippled forever. The rates of coverage are also significantly greater than those provided by current flood insurance alone: $650,000 for residential structures and contents and $1.75 million for commercial properties and contents. These coverage caps expose the taxpayers to considerable liability. In fact, recent insurance industry estimates show that costs of storms like Hurricane Katrina that were in the $15 to $20 billion range for the NFIP currently, could be three to five times or more, if wind perils were also included. Such costs could potentially overwhelm the program and the costs to taxpayers could balloon to staggering levels.

For these reasons, again, we support the Blumenauer-Gilchrest Global Warming Amendment, which will ensure that FEMA address the realities of global warming in its map modernization effort. We oppose the provisions within H.R. 3121 that expand the NFIP to include wind. These provisions threaten to overwhelm an already failing National Flood Insurance Program that needs substantial reforms to turn the corner on expanding flood risk and to accomplish its other purposes. Although many of the reforms contained within H.R. 3121 represent steps in the right direction, the proposed legislation will not go far enough in fixing the essentially bankrupt NFIP. Congress will have missed an historic opportunity to strengthen the NFIP if it passes this bill in its current form.

Please see the attached overview of our additional concerns with the bill.

Thank you for you attention to this matter.

Sincerely,

ERICH PICA,
*Director of Domestic Programs, Friends of the Earth.*
ADAM KOLTON,
*Senior Director, Congressional & Federal Affairs, National Wildlife Federation.*
DAVID JENKINS,
*Government Affairs Director, Republicans for Environmental Protection.*
EMILY FIGDOR,
*Federal Global Warming Program Director, U.S. Public Interest Research Group (PIRG).*

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SEPTEMBER 26, 2007.

Hon. NANCY PELOSI, Speaker,
Hon. JOHN BOEHNER, Minority Leader,
*House of Representatives,*
*Washington, DC.*

DEAR MADAM SPEAKER AND MINORITY LEADER BOEHNER: On behalf of the undersigned associations, we are writing to express our opposition to House passage of H.R. 3121, ''The Flood Insurance Reform and Modernization Act of 2007.'' While we are supportive of the reforms to the National Flood Insurance Program (NFIP) contained in the legislation, we strongly object to the provisions that would add the peril of windstorm to the NFIP.

The addition of wind coverage to the NFIP has the potential to dramatically increase the exposure of the NFIP and the federal government to catastrophic losses. The states along the Gulf coast and eastern seaboard contain more than $19 trillion in insured property values. The majority of these risks are currently insured in the private marketplace or in state residual market programs where the private insurance industry shares the potential losses. Writing a significant number of these properties in the NFIP would markedly increase the federal government's exposure to loss and, despite the provision that calls for ''actuarially sound'' rates for the windstorm portion of this coverage, the potential for a significant taxpayer subsidy. The bill also calls for the NFIP to stop writing and renewing multiple-peril coverage for these policyholders if it is required to borrow federal funds to pay its losses. This has already occurred at the state level, following the events of 2005, several state windstorm residual market plans, which are statutorily required to use ''actuarially sound'' rates, exhausted all of their available assets and had to fund these shortfalls by assessing the insurance industry and/or policyholders.

The policyholders most likely to buy this new federal coverage would be those living in areas that are highly exposed to wind damage, creating adverse selection, as happens with state residual market wind pools today. The amount of ''multiple-peril'' insurance that the NFIP would sell cannot accurately be determined at this time; thus, determining the unsubsidized premium for such coverage would be, even using the best actuarial science, a guess. Although the ''pay as you go'' (PAY-GO) rules require that the costs of the insurance program be unsubsidized by taxpayers, there is a real possibility that the program will not be self-sustaining, particularly in early years when the accumulation of premiums could be vastly exceeded by losses in the event of a hurricane of any significance.

Finally, nationalizing wind coverage under the NFIP, as proposed by this bill, will not resolve ''wind versus water'' disputes following a hurricane, and would do little to facilitate the resolution of these claims because many homeowners, even in flood-prone regions, do not purchase flood insurance—for example, fewer than 20 percent in coastal Mississippi prior to Hurricane Katrina. H.R. 3121 does not mandate the purchase of flood insurance and will not facilitate the resolution of claims for policyholders who do not purchase this coverage.

For these reasons, we strongly urge members to vote no on passage of H.R. 3121.

Respectfully,

AMERICAN INSURANCE ASSOCIATION.
NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES.
PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA.
THE FINANCIAL SERVICES ROUNDTABLE.
REINSURANCE ASSOCIATION OF AMERICA,
*Washington, DC, July 25, 2007.*

Chairman BARNEY FRANK,
Ranking Member SPENCER BACHUS,
*House Financial Services Committee, House of Representatives, Washington, DC.*

DEAR CHAIRMAN FRANK AND RANKING MEMBER BACHUS: The Reinsurance Association of America (RAA) strongly opposes the inclusion of the Multiple Peril Insurance Act of 2007 to the flood insurance reform bill (H.R. 3121). The legislation would unnecessarily expand the scope of the National Flood Insurance Program (NFIP) to offer windstorm coverage that is currently being provided by private sector insurers, reinsurers, capital market participants and residual market programs.

The RAA, headquartered in Washington, D.C., is a non-profit trade association of property and casualty reinsurers and reinsurance intermediaries. RAA underwriting members and their affiliates write more than two-thirds of the gross reinsurance coverage provided by U.S. professional reinsurance companies.

A ROBUST PRIVATE MARKET FOR WIND COVERAGE ALREADY EXISTS

This legislation fundamentally alters who bears the risk of loss from wind. Instead of spreading this risk throughout the worldwide private insurance marketplace, this legislation puts the entire burden of deficits on the U.S. taxpayer. This fundamental shift is unnecessary. There is adequate wind capacity being provided by direct insurers and/or state residual markets. Moreover, there is a very robust global private reinsurance

market for wind to help insurance companies manage their risk of loss. Over $35 billion of new capital has entered the private reinsurance capital markets to cover wind risk since Hurricane Katrina. RAA questions why Congress would want to shift the risk of loss to the U.S. taxpayers, rather than spreading this risk throughout the private insurance marketplace.

FEDERAL TAXPAYERS WILL SUBSIDIZE COASTAL INSURED'S

The RAA also has serious concerns that the NFIP will recklessly attract policyholders into buying wind coverage by suppressing the federal insurance rates. This has occurred in most state property insurance residual markets, which are under intense political pressure to maintain rates that are not sufficient to pay losses. Suppressing rates and loosening underwriting standards only places the U.S. taxpayer at further risk and encourages more development in high-risk areas.

THE NFIP IS NOT EQUIPPED TO OFFER WIND INSURANCE

The underwriting and pricing of flood and wind risk are fundamentally different. The Federal government has no institutional knowledge in these areas and it would be a daunting undertaking for them to develop such technical expertise. In addition to updating flood maps, FEMA would also have to develop wind maps for the entire United States. These tasks will only result in the creation of greater federal bureaucracy.

ALL STATE AND FEDERAL DISASTER INSURANCE PROGRAMS OPERATE AT AN EXPECTED LOSS

The NFIP is already $17 billion in the red. What if the NFIP had borne the wind loss associated with the 2004 and 2005 storms? The private marketplace paid $16.5 billion of wind insured losses in 2004 and over $60 billion of insured losses for the 2005 season. If this legislation were in place when these storms hit, the U.S. taxpayer would be paying greater deficits for these losses, rather than the private global insurance and reinsurance marketplace.

We urge you to oppose the inclusion of the Multiple Peril Insurance Act into H.R 3121 and support the Rep. Brown-Waite, Feeney and Putnam amendment to have the GAO conduct a study of this issue.

Sincerely,

FRANKLIN W. NUTTER,
*President.*

Mr. TAYLOR. Mr. Chairman, I very much appreciate the gentlewoman's remarks. I would like to mention to the gentlewoman, and add for the RECORD, the support for this bill, including the wind language, from the National Association of Realtors, National Association of Homebuilders, National Association of Bankers.

NATIONAL ASSOCIATION OF REALTORS,
*Washington, DC, September 26, 2007.*

HOUSE OF REPRESENTATIVES,
*Washington, DC.*

DEAR REPRESENTATIVE: On behalf of the more than 1.3 million members of the National Association of REALTORS® (NAR), I ask for your vote in favor of H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007, when it is considered by the House of Representatives on Thursday, September 27.

The National Flood Insurance Program (NFIP) offers essential flood loss protection to homeowners and commercial property owners in more than 20,000 communities nationwide. The bill, as written, will help protect homeowners, renters and commercial property owners from losses sustained from flooding. NAR strongly supports the following changes to the NFIP contained in the bill including:

Extending the NFIP for five years;

Ensuring that the 100-year flood maps are updated as expeditiously as possible;

Increasing coverage limits to $335,000 for residential and $670,000 for commercial properties;

Supporting education of tenants about the availability of flood insurance while providing flexibility to property owners and managers in the manner of providing such notice;

Adding coverage for living expenses, business interruption, and basement improvements;

Extending the pilot program for mitigation of severe repetitive loss properties; and

Studying the impacts of eliminating subsidies on homeowners, renters and local economies.

It is critical that flood insurance remain accessible for all individuals who own or rent property in a floodplain. I urge you to vote in favor of H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007, on Thursday.

Sincerely,

PAT V. COMBS,
*2007 President,*
*National Association of Realtors.®*

NATIONAL ASSOCIATION OF HOME BUILDERS,
*Washington, DC, September 26, 2007.*

HOUSE OF REPRESENTATIVES,
*Washington, DC.*

DEAR REPRESENTATIVES: On behalf of the 235,000 members of the National Association of Home Builders (NAHB), I am writing to express our support for H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007 as amended by the Manager's Amendment, which includes much-needed technical improvements to the underlying bill.

As you know, Hurricanes Katrina, Rita and Wilma radically disrupted the lives of those living on the Gulf Coast. After the storms' passing, many homeowners found themselves in dispute with their property insurance companies over whether water or wind was the primary cause of damage to their homes. After much debate, one proposed solution which has emerged to address this conflict is to expand the authority of the National Flood Insurance Program (NFIP) to include wind coverage.

NAHB is pleased that the bill incorporates new language to provide wind insurance coverage for home owners. H.R. 3121, as amended by the Manager's Amendment, would provide a needed addition in expanding the availability and affordability of property insurance in high hazard areas. Additionally, it references the mitigation requirements of consensus-based building codes as a measure to lessen the potential damage caused by a natural disaster and thus further ensure the financial stability of the NFIP.

NAHB remains concerned about the overall solvency of the NFIP, but we also view this program as not simply about flood insurance premiums and payouts. The NFIP is a comprehensive tool to guide the development of growing communities while simultaneously balancing the need for reasonable protection of life and property. The specific method Congress uses to achieve this balance could potentially impact housing affordability as well as the control local communities have over their growth and development. NAHB believes that H.R. 3121 strikes the proper balance in protecting the NFIP's long-term financial stability while ensuring that federally-backed flood insurance remains available and affordable.

As this new NFIP expansion moves forward, NAHB encourages Congress to limit the amount of the program's fiscal exposure to ensure its financial sustainability and to require premiums for the new multi-peril coverage to be risk-based and actuarially sound. NAHB commends the work of the House Financial Services Committee in crafting legislation to preserve and enhance this important federal program, and we urge your support for H.R. 3121, as amended by the Manager's Amendment, when it comes to the House floor this week.

Thank you for your attention to our views.

Sincerely,

JOSEPH M. STANTON.

SEPTEMBER 26, 2007.

To: Members of the U.S. House of Representatives.

From: Floyd Stoner, Executive Director, Congressional Relations & Public Policy, ABA.

Re: Support for H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007.

I am writing on behalf of the members of the American Bankers Association (ABA) to express our support for H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007, scheduled to be considered by the full House later this week.

Since 1968, nearly 20,000 communities across the United States and its territories have participated in the National Flood Insurance Program (NFIP) by adopting and enforcing floodplain management ordinances to reduce future flood damage. In exchange, the NFIP makes federally backed flood insurance available to homeowners, renters, and business owners in these communities.

Losses from three large hurricanes (Katrina, Rita, and Wilma) in 2005 have left the NFIP more than $23 billion in debt to the Treasury. There is no way that the NFIP can reasonably repay this debt and provide payment for future losses under the current rate structure. The likelihood of additional flood events and resulting claims against the program make reforms vital.

This legislation would require the Federal Emergency Management Agency (FEMA) to update the flood maps, and it would provide a phase-in of actuarial rates for commercial properties and non-primary residences. ABA supports these efforts as being necessary to sustain the program over the long term.

H.R. 3121 also would increase the penalties for non-compliance in placing flood insurance, from $350 per violation to $2000 per violation. We are pleased that the legislation would provide a ''safe harbor'' for an institution which is in non-compliance due to circumstances beyond its control (such as outdated mapping by FEMA). We also are pleased that the legislation would provide institutions with an opportunity to correct non-compliance before a penalty is assessed and place a reasonable limit for total penalties per institution/per year.

We urge you to support this important legislation.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. TAYLOR).

The question was taken; and the Acting Chairman announced that the ayes appeared to have it.

Mrs. CAPITO. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Mississippi will be postponed.

AMENDMENT NO. 8 OFFERED BY MR. TAYLOR

The Acting CHAIRMAN. It is now in order to consider amendment No. 8 printed in part B of House Report 110–351.

Mr. TAYLOR. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. TAYLOR:

At the end of the bill, add the following new section:

**SEC. 30. REQUIREMENTS RELATING TO WINDSTORM AND FLOOD.**

Section 1345 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081) is amended by adding at the end the following new subsection:

''(d) REQUIREMENTS FOR WRITE-YOUR-OWN INSURERS RELATING TO WINDSTORM AND FLOOD.—The Director may not utilize the facilities or services of any insurance company or other insurer to offer flood insurance coverage under this title unless such company or insurer enters into a written agreement with the Director that provides as follows:

''(1) PROHIBITION ON EXCLUSION OF WIND DAMAGE COVERAGE.—The agreement shall prohibit the company or insurer from including, in any policy provided by the company or insurer for homeowners' insurance coverage or coverage for damage from windstorms, any provision that excludes coverage for wind or other damage solely because flooding also contributed to damage to the insured property.

''(2) FIDUCIARY RESPONSIBILITY.—The agreement shall provide that the company or insurer—

''(A) has a fiduciary duty with respect to the Federal taxpayers;

''(B) in selling and servicing policies for flood insurance coverage under this title and adjusting claims under such coverage, will act in the best interests the national flood insurance program rather than in the interests of the company or insurer; and

''(C) will provide written guidance to each insurance agent and claims adjuster for the company or insurer setting forth the terms of the agreement pursuant to subparagraphs (A) and (B).''.

The Acting CHAIRMAN. Pursuant to House Resolution 683, the gentleman from Mississippi (Mr. TAYLOR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Mississippi.

Mr. TAYLOR. Mr. Chairman, in the course of today's debate, a lot of Members are learning a lot about insurance that they kind of wish they didn't know. Unfortunately, a lot of folks in my district learned a lot in the wake of that storm that they wish they knew.

As I have told you before, the United States Navy has modeled Hurricane Katrina. According to the United States Navy, there were four to five hours of hurricane force winds that hit south Mississippi before the water ever got there. Now, that is a fact from the United States Navy.

We have a policy under the National Write Your Own Program where we as a Nation allow the private sector to sell that policy, even though we back it. That is not a problem. It cuts down on administrative costs. We also have a line in that contract, though, with those private firms that says you will do a fair adjustment of the claim.

Think about it. I can't think of any other person that can send a bill to the Federal Government, up to $250,000, plus another $100,000 for contents, and no one ever questions it. And yet we gave the insurance industry this incredible responsibility, and I can tell you, they misused it. But it says there has to be a fair adjustment. That is the law.

Unfortunately, in the policies that they wrote for people, that were multiple pages thick, buried in that policy is something called ''concurrent causation,'' which says, in effect, that after those four to five hours of hurricane force winds hit south Mississippi, if on a residence there's a single two-by-four left standing, the roof is gone, the windows have been blown in, the curtains are gone, the house is gone, if there's one two-by-four left standing, then there is a concurrent causation of wind and water, and they don't have to pay. It's in their policies.

Under oath there have been insurance agents who admitted they didn't even know it was in the policy. If the insurance agents didn't know, do you think an individual has a chance?

There is an extremely influential Senator on the other end of the building, a law degree from the University of Mississippi; he didn't know it was in there. Federal Judge Lou Garrolla, a Federal judge, he didn't know it was in there. If an extremely influential U.S. Senator, if a Federal judge doesn't know, what chance does a corrugated box salesman have? What chance does a shrimper have, a housewife, a school teacher?

The fact of the matter is that's wrong. The taxpayers ended up paying the bill that the insurance company should have paid because they stuck it to the taxpayers through the flood insurance policy every time.

This amendment would tell the insurance companies that if they want to do business with our Nation through the Federal flood insurance program, that they can no longer have a concurrent causation clause in their contract because it's completely contrary to the contract they have with our Nation that says it's going to be a fair adjustment of the claim.

If after 4 hours of hurricane force winds the house is almost gone, but there's one board left, and a wave comes along and knocks that last board down, under their rules, the taxpayers pay. Under what is fair and right, they ought to pay for what the wind did and let the taxpayers pay for what the water did.

We recognize there's a problem, we are addressing that problem, and only a shill for the insurance industry can turn around and say that this is right. If you really are concerned about the Treasury, then you ought to be concerned about the Treasury being ripped off by insurance companies by letting their agents be the sole determining factor of who's going to pay and sticking our Nation with the bill. This is an opportunity to close that loophole and to right an egregious wrong.

Mr. Chairman, I reserve the balance of my time.

The Acting CHAIRMAN. Does any Member claim the time in opposition?

The Chair recognizes the gentleman from Mississippi.

Mr. TAYLOR. I yield the remainder of my time to the chairman of the committee.

The Acting CHAIRMAN. The gentleman from Massachusetts is recognized for 1 minute.

Mr. FRANK of Massachusetts. Mr. Chairman, this is actually a very conciliatory amendment by the gentleman from Mississippi because previously, and I know the gentleman has left the floor, he's been here very diligently, I don't mean anything critical, but the gentleman from Georgia (Mr. KINGSTON) said why don't we try to make the private companies live up to their responsibilities and stop them from walking away.

This amendment is the first chance we get to do that, because what this amendment does is not extend Federal coverage, but try to hold those companies which are voluntarily participating with the Federal Government to a reasonable standard with regard to their own coverage. So this is a chance to hold the private companies to their social responsibility.

Mr. TAYLOR. I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. TAYLOR).

The amendment was agreed to.

AMENDMENT NO. 9 OFFERED BY MR. COSTELLO

The Acting CHAIRMAN. It is now in order to consider amendment No. 9 printed in part B of House Report 110–351.

Mr. COSTELLO. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. COSTELLO:

Subsection (k) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by redesignating paragraph (8) as paragraph (9).

Subsection (k) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by inserting after paragraph (7) the following new paragraph:

''(8) USE OF MAPS FOR RATES.—The Director shall not adjust the chargeable premium rate for flood insurance under this title based on an updated national flood insurance program rate map or require the purchase of flood insurance for a property not subject to such a requirement of purchase prior to the updating of such national flood insurance program rate map until an updated national flood insurance program rate map is completed for the entire district of the Corps of Engineers affected by the map, as determined by the district engineer for such district.''.

The Acting CHAIRMAN. Pursuant to House Resolution 683, the gentleman from Illinois (Mr. COSTELLO) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. COSTELLO. Mr. Chairman, I yield myself as much time as I may consume.

I thank the Rules Committee for making this amendment in order and thank Chairman FRANK as well. My amendment is a commonsense, simple amendment that will bring fairness to FEMA's remapping process. If my amendment is adopted, FEMA would not be able to adjust premium rates or require the purchase of flood insurance until all remapping has been completed for an entire district of the Corps of Engineers affected by the remapping.

Under the current system, one geographic area of a floodplain or watershed can be updated, while another geographic area of the same floodplain or watershed may not be remapped for a few years.

If you look at the St. Louis area, preliminary maps will be available for review in December of this year for the Illinois side of the Mississippi River, but will not be available for the Missouri side of the river for two to three years. The remapping process should not be stopped, but remapping should be implemented for the entire floodplain or watershed together, as opposed to the current piecemeal approach.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

The Acting CHAIRMAN. Does anyone seek time in opposition to this amendment?

The Chair recognizes the gentleman from Illinois.

Mr. COSTELLO. Mr. Chairman, I yield 2 minutes to my friend from Illinois (Mr. SHIMKUS).

(Mr. SHIMKUS asked and was given permission to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Chairman, I want to commend my colleague, Congressman COSTELLO, for his great work. It is a pretty simple premise that if we are going to do the FEMA floodplain analysis, it ought to be in a watershed. As he so aptly put, when floods come across rivers, they will flow across banks on both sides. So as we have to address how to do the compensation, it only makes sense that they do it that way.

So I appreciate him bringing this forward, and I appreciate Chairman FRANK's effort in this aspect.

Mr. COSTELLO. Mr. Chairman, I urge adoption of my amendment, and I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. COSTELLO).

The amendment was agreed to.

AMENDMENT NO. 10 OFFERED BY MR. GENE GREEN OF TEXAS

The Acting CHAIRMAN. It is now in order to consider amendment No. 10 printed in part B of House Report 110–351.

Mr. GENE GREEN of Texas. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. GENE GREEN of Texas:

At the end of section 22 of the bill, add the following new subsection:

(e) PHASE-IN OF FLOOD INSURANCE PREMIUMS FOR LOW-COST PROPERTIES.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this Act, is further amended—

(1) in subsection (c), by inserting ''and subsection (g)'' before the first comma; and

(2) by adding at the end the following new subsection:

''(g) 5-YEAR PHASE-IN OF PREMIUMS FOR NEWLY COVERED LOW-COST PROPERTIES.—

''(1) IN GENERAL.—In the case of any area not previously designated as an area having special flood hazards that becomes designated as such an area as a result of remapping pursuant to section 1360(k), during the 5-year period that begins upon the initial such designation of the area, the chargeable premium rate for flood insurance under this title with respect to any low-cost property that is located within such area shall be—

''(A) for the first year of such 5-year period, 20 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

''(B) for the second year of such 5-year period, 40 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

''(C) for the third year of such 5-year period, 60 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

''(D) for the fourth year of such 5-year period, 80 percent of the chargeable risk premium rate otherwise applicable under this title to the property; and

''(E) for the fifth year of such 5-year period, 100 percent of the chargeable risk premium rate otherwise applicable under this title to the property.

''(2) LOW-COST PROPERTY.—For purposes of this subsection, the term ''low-cost property'' means a single-family dwelling, or a dwelling unit in a residential structure containing more than one dwelling unit, that—

''(A) is the principal residence of the owner or renter occupying the dwelling or unit; and

''(B) has a value, at the time of the initial designation of the area having special flood hazards, that does not exceed 75 percent of median home value for the State in which the property is located.''.

The Acting CHAIRMAN. Pursuant to House Resolution 683, the gentleman from Texas (Mr. GENE GREEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, I yield myself such time as I may consume.

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Chairman, I rise in strong support of H.R. 3121, the Flood Insurance Reform and Modernization Act, that will help bring national flood insurance programs into the 21st century. I particularly want to thank the chairman of the committee, BARNEY FRANK, as well as the sponsor of the bill and subcommittee Chair MAXINE WATERS for her hard work in bringing this bipartisan bill to the floor today.

Mr. Chairman, in June of 2001, Texas and other States witnessed damage wrought by Tropical Storm Allison after it swept through Texas and up the east coast causing substantial flood damage to thousands of my constituents, along with everyone else, both homes and businesses.

The good news was that some of these losses were protected by the National Flood Insurance Program. The bad news was that many of my constituents who needed flood insurance could not afford to purchase the policy. We all know that the flood insurance program plays a critical role in lessening the impact of major flooding disasters; but to make the program more effective, we need greater participation from Americans of all incomes.

H.R. 3121 requires FEMA to conduct a survey to review the Nation's flood maps. Inevitably, these updates will identify undesignated homes as being located in flood-prone areas. For many low-income families, such designation of their homes means having to purchase flood insurance that is either unaffordable or difficult to immediately budget for on modest means. Our amendment seeks to bridge that insurance gap between those who can afford a flood policy and those who cannot, and still be able to expand the people paying into the system.

The amendment is simple: it would provide a limited 5-year phase-in of flood insurance premiums for low-income homeowners or renters whose primary residence is placed within the floodplain through an updating of the flood insurance program maps. These homes can be valued at no more than 75 percent of the median home value for the State in which the property is located.

This amendment would make the National Flood Insurance Program more affordable for low-income homeowners, increase participation in the program and decrease the likelihood of an a taxpayer bailout in the event of a flood. I believe the amendment will bring security and peace of mind to many hardworking families who don't live in mansions, but live in their basic homes and that need help in obtaining protection that their homes deserve.

Mr. Chairman, I urge support for the amendment.

Mr. Chairman, I reserve the balance of my time.

The Acting CHAIRMAN. Does any Member seek recognition in opposition to the amendment?

The Chair recognizes the gentleman from Texas.

Mr. GENE GREEN of Texas. I yield to the Chair of the committee.

Mr. FRANK of Massachusetts. Mr. Chairman, I just want to thank the gentleman for taking this up. I want to stress what we are doing.

People have said, well, you are giving people breaks. No. The amendment that the gentleman from California (Mr. CARDOZA) offered earlier and this one deal with people who having lived somewhere, now will find themselves in a floodplain not because they moved, but because the designation is different.

This does not exempt them from having to pay the insurance. It does in certain cases, the gentleman from California's case. And this one that has to do with remapping, new maps or updating maps, it allows them to phase in. The result will be more people paying in and more people living in a floodplain who will be having to pay flood insurance. The remapping means there will be more restrictions on future building there.

I did want to stress that we did not in this bill and not in any of the amendments give any reductions to people already covered. But we have said, again, where people did not move in but found themselves where they had previously been living now included in the zone, we give people some leeway in the phasing in of the policy charge.

Mr. GENE GREEN of Texas. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GENE GREEN).

The amendment was agreed to.

□ 1530

AMENDMENT NO. 11 OFFERED BY MR. BERRY

The Acting CHAIRMAN (Mr. GENE GREEN of Texas). It is now in order to consider amendment No. 11 printed in part B of House Report 110–351.

Mr. BERRY. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. BERRY:

At the end of the bill add the following new section:

**SEC. ___. NOTATIONS ON FLOOD INSURANCE RATE MAPS FOR AREAS PROTECTED AGAINST 100-YEAR AND 500-YEAR FLOODS BY CERTIFIED FLOOD CONTROL STRUCTURE.**

The National Flood Insurance Act of 1968 is amended by inserting after section 1361A (42 U.S.C. 4102a) the following new section:

**''SEC. 1362. NOTATIONS ON FLOOD INSURANCE RATE MAPS FOR AREAS PROTECTED AGAINST 100-YEAR AND 500-YEAR FLOODS BY CERTIFIED FLOOD CONTROL STRUCTURE.**

''(a) 100-YEAR FLOODPLAIN.—The Director may publish, through the publication of a national flood insurance program rate map, a note to designate areas protected against at least the 100-year flood by a certified flood control structure which shall read as follows: 'NOTE: This area is shown as being protected from at least the 1-percent-annual-chance flood hazard by levee, dike, or other structure. Overtopping or failure of any flood control structure is possible. Property owners are encouraged to evaluate their flood risk, based on full and accurate information, and to consider flood insurance coverage as appropriate.'.

''(b) 500-YEAR FLOODPLAIN.—The Director may publish, through the issuance of a national flood insurance program rate map, a note to designate areas protected against at least the 500-year flood by a certified flood control structure which shall read as follows: 'NOTE: This area is shown as being protected from at least the 0.2-percent-annual-chance flood hazard by levee, dike, or other structure. Overtopping or failure of any flood control structure is possible. Property owners are encouraged to evaluate their flood risk, based on full and accurate information, and to consider flood insurance coverage as appropriate.'.

''(c) EFFECT OF NOTES.—The publication of a note under subsection (a) or (b) shall not be considered a requirement of participation in the national flood insurance program.''.

The Acting CHAIRMAN. Pursuant to House Resolution 683, the gentleman from Arkansas (Mr. BERRY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arkansas.

Mr. BERRY. Mr. Chairman, first of all, I want to thank the distinguished chairman of the Committee on Financial Services for his magnificent leadership on this issue of modernizing and reforming FEMA's flood insurance program.

I rise to offer this amendment along with my colleagues, Mrs. EMERSON and Mr. HULSHOF from Missouri, Mr. COSTELLO and Mr. HARE of Illinois, and Mr. ROSS of Arkansas.

This amendment addresses concerns that we have heard from property owners, local governments, small businesses, Realtors, lenders, and others regarding FEMA's flood maps and the uncertainty they have caused in our local communities. The arbitrary and technically deficient blanket warning note that FEMA currently uses has caused confusion as to whether or not some areas are in a floodplain or not, whether flood insurance is needed or not. This has placed an unnecessary burden on property owners and threatens economic development in some of the most impoverished areas of the Nation.

This amendment dramatically improves FEMA's current policy, requiring any note placed on flood maps to more fully and accurately inform the property owners about the protection value of their levees. This amendment will continue the objective of educating property owners and reminding them of the importance of honestly assessing their risk, reminding them that they may consider optional purchase of flood insurance, even if they are not in a special flood hazard area.

I believe this is a reasonable amendment which maintains the important objectives of providing accurate information about the safety of the levees, encouraging honest assessments of flood risks, while eliminating the uncertainty that FEMA has created. I urge my colleagues to adopt this amendment.

Mr. Chairman, I reserve the balance of my time.

Mrs. EMERSON. Mr. Chairman, I claim the time in opposition, although I am not opposed to the amendment.

The Acting CHAIRMAN. Without objection, the gentlewoman from Missouri is recognized for 5 minutes.

There was no objection.

Mrs. EMERSON. Mr. Chairman, I want to thank the gentleman from Arkansas (Mr. BERRY) for his leadership, and my colleagues on the Financial Services Committee for their efforts to improve the National Flood Insurance Program.

The Berry amendment is a commonsense approach towards both increased risk awareness and sound decisionmaking. The lack of preparedness on the Federal, State and local level exposed by Hurricane Katrina certainly suggests a real lack of awareness of the risks posed by living in the shadow of levees. Appropriately, this amendment recognizes the important role that Congress and the administration must play in increasing risk awareness.

However, I would be negligent if I did not relay my concern regarding the direction in which I sense the National Flood Insurance Program is drifting. The decision to participate in the National Flood Insurance Program should be entered into deliberately and after careful consideration, not, and I stress ''not,'' based on blanket warnings from FEMA.

As a Nation, taxpayers have contributed billions to build up our levee and flood protection systems. At the same time, our local communities have taken on the added burden of meeting local cost-share requirements. These substantial investments were based in part on the savings from removing the need to purchase flood insurance.

Mandatory requirements to purchase flood insurance should be carefully studied. Blanket, one-size-fits-all warnings from an organization, even an organization like FEMA, should be entered into only after thoughtful consideration and ample review.

In my view, the Berry amendment would bring these principles to bear on at least one bureaucratic decision, and I urge its adoption.

Mr. Chairman, I reserve the balance of my time.

Mr. BERRY. Mr. Chairman, I yield 2 minutes to my colleague from south Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Chairman, I thank Mr. BERRY for offering this amendment. It is a bipartisan amendment. It is what I would call a commonsense amendment.

I don't have to tell you, Mr. Chairman, that the Federal Emergency Management Agency, they need help in trying to figure this program out. This is the same Federal agency that has 8,000 brand new, fully furnished mobile homes sitting in a cow pasture in Hope, Arkansas several years after Hurricane Katrina, mobile homes that never got to the victims. And when we had a tornado on the Mississippi River in

Dumas, Arkansas, it took FEMA 3 weeks to figure out how to move 30 of them 2½ hours down the road, and now FEMA is trying to wreak havoc on our National Flood Insurance Program.

The gentlewoman from Missouri is absolutely correct; it seems to me what FEMA is trying to do here is pay for their flood insurance program by forcing people to buy insurance who they know are never going to have a claim. This is a step in the right direction in trying to provide a commonsense fix to another mess that has been created by FEMA, and I am pleased to stand here with my colleagues from Arkansas and Missouri in support of it.

Mrs. EMERSON. Mr. Chairman, I yield 2 minutes to the gentleman from central Missouri (Mr. HULSHOF).

Mr. HULSHOF. Mr. Chairman, I appreciate my colleague from the Show Me State for yielding, and I rise in support of the Berry-Ross-Hare-Emerson-Hulshof-Costello amendment.

We have tasked the Federal Emergency Management Agency with educating the public of the flood risks to their homes and businesses. I think we agree and support their continued efforts in the education campaign so long as it is done based upon the best modeling and sound science available.

But I do not support FEMA pushing homeowners into purchasing flood insurance when they don't need it. This is exactly what FEMA seems to be doing with the zone X shaded floodplain note. Zone X shaded is the area behind a certified 100-year or 500-year levee but still within the 100-year floodplain. Within these zones, FEMA attaches a note, the purpose of which I believe seems to intimidate homeowners into purchasing flood insurance through a very strongly worded suggestion.

Now, if you talk to FEMA, they will tell you those notes don't require individuals to purchase flood insurance; and I guess I can say my beautiful wife, Renee, doesn't require me to buy an anniversary present, but there are some things that just seem to be understood.

Of particular concern, as has been expressed, is that when you have certain lenders or others who see this warning, this stark warning, that they may in fact require homeowners when in fact the law does not.

Again, I acknowledge what my colleague and friend from Cape Giradeau has said. I am for floor insurance. It should be, for instance, mandatory in special flood hazard areas. But we have areas in this country where tremendous resources have been used to create a very adequate flood protection system. Mrs. EMERSON's district is one of those, systems that are constructed and maintained and certified by the Federal Government.

So individuals that live behind these certified levees, whether they have been constructed by the Federal Government or constructed under the supervision of the Federal Government, they pay their due, they pay Federal taxes, and often they have participated in the levee districts themselves. I think this is a commonsense amendment, and I am proud to support it.

Mr. BERRY. Mr. Chairman, I appreciate very much the bipartisan way this amendment has been developed and I think it demonstrates that we can work together on both sides of the aisle to do commonsense things.

It is unfortunate that we have been put in the position by a Federal agency because of severe mismanagement to where we have to become involved in such matters. But I thank everyone for their approach to this, and particularly thank the committee.

Mr. Chairman, I yield back the balance of my time.

Mrs. EMERSON. Mr. Chairman, I too want to thank Mr. BERRY and the other sponsors, thank the committee chairman and ranking member, and hope that everyone will be in support of this very commonsense amendment. There is no excuse for FEMA putting at risk the economic development up and down the Mississippi River or around any other area that is protected by a 100-year or 500-year levee, and that would happen if we do not take this action.

Mr. COSTELLO. Mr. Chairman, I am offering an amendment with my colleagues that would replace the current note FEMA uses which does not distinguish levees according to their structural integrity or protection value and replaces it with one that is more accurate to clarify the protection level of flood control structures and the legal requirements of flood Insurance coverage.

I strongly believe all property owners should be properly educated about their flood risks and encouraged to assess their need for flood insurance. However, no local governments, lenders, and the general public should have uncertainty with regard to flood risks and whether there is a requirement to participate in the Federal flood insurance program.

Alexander County in my Congressional district and other areas throughout the State of Illinois will be affected by these "warning labels" and this amendment ensures that we are being clear in our intent.

This amendment is important to my district and to the Nation and has bipartisan support.

I urge my colleagues to support this amendment.

Mrs. EMERSON. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas (Mr. BERRY).

The amendment was agreed to.

AMENDMENT NO. 12 OFFERED BY MR. WALZ OF MINNESOTA

The Acting CHAIRMAN (Mr. ROSS). It is now in order to consider amendment No. 12 printed in part B of House Report 110–351.

Mr. WALZ of Minnesota. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. WALZ of Minnesota:

Subsection (k)(2)(A)(ii) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by striking ''and''.

Subsection (k)(2)(A)(iii) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by striking the final period and inserting ''; and''.

Subsection (k)(2)(A) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by adding at the end the following new clause:

''(iv) the 100-year floodplain, including any area that would be in the 100-year floodplain if not protected by a levee, dam, or other man-made structure.''.

The Acting CHAIRMAN. Pursuant to House Resolution 683, the gentleman from Minnesota (Mr. WALZ) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Minnesota.

Mr. WALZ of Minnesota. Mr. Chairman, I thank the chairman of the committee and the ranking member for offering this incredibly important piece of legislation modernizing the National Flood Insurance Program.

On the evening of August 18 into the morning of August 19, devastating storms swept across the Midwest. Seven of the 22 counties in my congressional district are now Federal disaster areas as up to 18 inches of rain fell in a 24-hour period. Seven individuals in my district lost their lives, and countless others were injured. Thousands of homes were destroyed. Millions of dollars in damage to roads and bridges which were washed away literally overnight.

Subsequently, many Minnesotans found out how quickly they needed to become experts in the National Flood Insurance Program, so I congratulate the committee for taking up this legislation.

One of the improvements that you are hearing about is the improvements to the mapping of the 100-year and 500-year floodplains.

What my amendment does, we are getting the 500-year floodplains, and they are dealing with areas that could be flooded if a levee or dam fails. But they do not require FEMA at this time to map areas in the 100-year floodplain that, if not for a flood-control measure other than a dam or levee, could flood, and my amendment simply asks for those areas to be mapped.

When a flood-control measure fails, it is obvious that it is catastrophic. Whether it be a flood wall or a levee in New Orleans, or as we found out in Minnesota, a culvert in St. Charles, Minnesota, or a storm sewer in Hokah, Minnesota, the impact is devastating.

This amendment is very simple. It adds one sentence to this bill requiring FEMA to map ''areas in the 100-year floodplain, including any area that would be in the floodplain if not protected by a dam, levee, or other manmade structure.''

This does not put any new requirements on residents living in those

areas, or put any additional burden on residents who live near dams or levees. The amendment simply requires FEMA to make information available about the risk of flooding that might occur if a flood control measure other than a dam or levee would fail. Some of the structures we are talking about: culverts, storm sewers, certain bridges and certain elevated rural roadways.

The recent floods in Minnesota showed the need for communities to have a comprehensive information plan on the risks that they face. This amendment would help do exactly that, and I urge my colleagues to adopt this small change that could make a big difference in how people adjust to the circumstances based on the potential of flooding.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. WALZ).

The amendment was agreed to.

AMENDMENT NO. 13 OFFERED BY MR. STARK

The Acting CHAIRMAN. It is now in order to consider amendment No. 13 printed in part B of House Report 110–351.

Mr. STARK. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mr. STARK:

In the matter proposed to be inserted by the amendment made by section 23 of the bill, in section 1363(a)(2), strike ''and'' at the end.

In the matter proposed to be inserted by the amendment made by section 23 of the bill, in section 1363(a)(3), strike the period at the end and insert ''; and''.

In the matter proposed to be inserted by the amendment made by section 23 of the bill, after paragraph (3) of section 1363(a) insert the following new paragraph:

''(4) by providing written notification, by first class mail, to each owner of real property affected by the proposed elevations of—

''(A) the status of such property, both prior to and after the effective date of the proposed determination, with respect to flood zone and flood insurance requirements under this Act and the Flood Disaster Protection Act of 1973;

''(B) the process under this section to appeal a flood elevation determination; and

''(C) the mailing address and phone number of a person the owner may contact for more information or to initiate an appeal.''.

The Acting CHAIRMAN. Pursuant to House Resolution 683, the gentleman from California (Mr. STARK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. STARK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a simple amendment. The gentleman from Indiana (Mr. BURTON) and I are offering this jointly. Very quickly, it makes it mandatory for FEMA to send a first-class mail notification to affected property owners under the flood insurance sections.

The notification that they send must include an explanation of the appeal process and contact information for responsible officials with whom they should deal.

□ 1545

It's needed because ordinary citizens don't read the Federal Register, and often the announcements are printed in the legal page of newspapers. The first that my constituents have heard about this is from the mortgage lender who tells them they have got 45 days to buy insurance, and they are then precluded from an appeals process, which if they find out at least 90 days beforehand, they have a right to utilize a community appeals process which is far less cumbersome and expensive.

I can only suggest in support of the amendment that my good friend Chairman FRANK at one point stated when BURTON and STARK get together, you may not like the amendment, but you should save one of the puppies. It is a bill that I think will help make this process simpler for all of our constituents, and I urge the adoption.

Mr. BURTON of Indiana. Mr. Chairman, I rise in strong support of the Stark-Burton amendment to H.R. 3121 the ''Flood Insurance Reform and Modernization Act of 2007.'' This amendment is nearly identical to an amendment we offered last year which passed this House unanimously. I want to thank my colleague from California, Mr. STARK for once again cosponsoring this amendment. I would also like to thank Chairman FRANK and Ranking Member BACHUS for including parts of our original amendment in this years legislation which will ensure that FEMA notifications of elevation changes are published in the Federal Register, published in the most widely circulated local newspapers and provided to the chief executive officer of each affected community by certified mail.

Unfortunately, while extending notifications of changes in flood elevations to newspapers and local officials is helpful, H.R. 3121 misses the bull's eye by ignoring the most important part of the Burton/Stark amendment from last year; namely the requirement that FEMA provide written notification by first class mail to each property owner affected by a proposed change in flood elevations. Last year in my district we had about 300 or 400 people who had no idea that FEMA was redrawing the flood map in their area until they suddenly received notice from their insurance companies and mortgage lenders saying that they now lived in a flood plain and they needed to spend an extra thousand or $2,000 a year for flood insurance. There hadn't been a flood in that area of Johnson County, Indiana for over 100 years. In fact, no one had ever heard of having a flood in this area.

Once these flood maps have been finalized the only way to remove a property from the flood plan is to file an individual appeal complete with extensive survey work paid for entirely at the property owner's expense. The process is expensive and time-consuming and homeowners must still buy and retain flood insurance throughout the process. However, if homeowners can find out while the maps are still preliminary, they have time to utilize an automatic 90-day appeal process to have the remaps reevaluated, and potentially remove blocks of homes from the flood plain, at little to no expense to the owners.

What the Stark-Burton amendment does is very simple:

Requires FEMA to provide written notification by first-class mail to each property owner affected by a proposed change in flood elevations;

Requires the notifications be sent after the preliminary maps are released but before the required 90-day appeal period; and,

Requires the notification include an explanation of the appeal process and contact information for responsible officials.

Mail notices to each property owner affected by projected flood elevation remapping would be a simple and effective way to notify residents of changes. Such a process is direct and ensures that all affected parties are able to take full advantage of FEMA's community appeals process. The cost to the Federal Government of these mail notifications would be small compared to the millions of dollars homeowners would otherwise have to pay in last-minute flood insurance or to challenge FEMA's flood elevation determinations.

As Chairman FRANK said last year when we debated this issue, and my colleague Mr. STARK just said so briefly and eloquently, anytime a conservative from Indiana and liberal from California can come together on an issue it is truly bipartisan. In fact this is a nonpartisan issue that affects nearly everyone in the 20,000 communities nationwide that participate in the National Flood Insurance Program. To ensure that all property owners are fully aware of any changes in flood plain area maps, and consequently their property values, is simply the right and fair thing to do. I urge my colleagues to support the Stark/Burton amendment to H.R. 3121.

Mr. STARK. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. STARK).

The amendment was agreed to.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on the amendment on which further proceedings were postponed.

AMENDMENT NO. 7 OFFERED BY MR. TAYLOR

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Mississippi (Mr. TAYLOR) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 268, noes 143, not voting 26, as follows:

[Roll No. 919]

AYES—268

Abercrombie
Ackerman
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baker
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bilirakis
Bishop (GA)
Bishop (NY)
Blumenauer
Bonner
Bordallo
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Butterfield
Buyer
Cannon
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Fortenberry
Frank (MA)
Franks (AZ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hirono
Hobson
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Hunter
Inslee
Israel
Jackson (IL)
Jefferson
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Keller
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCrery
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Melancon
Mica
Michaud
Miller (FL)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Peterson (MN)
Pickering
Platts
Poe
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Renzi
Reyes
Richardson
Rodriguez
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Wexler
Wicker
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOES—143

Aderholt
Akin
Bachmann
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bishop (UT)
Blackburn
Blunt
Boehner
Bono
Boozman
Brady (TX)
Broun (GA)
Brown (SC)
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Flake
Forbes
Fossella
Foxx
Frelinghuysen
Gallegly
Garrett (NJ)
Gingrey
Gohmert
Goode
Goodlatte
Granger
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Hoekstra
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jordan
King (IA)
King (NY)
Kingston
Kirk
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McHenry
McKeon
McMorris Rodgers
Miller (MI)
Miller, Gary
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pitts
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Stearns
Sullivan
Tancredo
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Westmoreland
Whitfield
Wilson (NM)
Wilson (SC)
Wolf

NOT VOTING—26

Bachus
Carson
Christensen
Conyers
Cubin
Davis, Jo Ann
Doyle
Everett
Faleomavaega
Fortuño
Herger
Hinojosa
Jackson-Lee (TX)
Jindal
Johnson (GA)
Johnson, E. B.
Kennedy
Kline (MN)
LaHood
Lewis (CA)
Meek (FL)
Meeks (NY)
Moran (KS)
Norton
Perlmutter
Reichert

□ 1613

Mr. PEARCE changed his vote from ''aye'' to ''no.''

Ms. GINNY BROWN-WAITE of Florida and Mr. BONNER changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The Acting CHAIRMAN. There being no further amendments, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. TIERNEY) having assumed the chair, Mr. ROSS, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 3121) to restore the financial solvency of the national flood insurance program and to provide for such program to make available multiperil coverage for damage resulting from windstorms and floods, and for other purposes, pursuant to House Resolution 683, he reported the bill, as amended by that resolution, back to the House with sundry further amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any further amendment reported from the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MRS. BACHMANN

Mrs. BACHMANN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Mrs. BACHMANN. In its current form, I am.

Mr. FRANK of Massachusetts. Mr. Speaker, I reserve a point of order.

The SPEAKER pro tempore. The gentleman reserves a point of order.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. Bachmann moves to recommit the bill H.R. 3121 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendments:

In the matter proposed to be inserted by the amendment made by section 7(a)(2) of the bill, in subsection (c)(1), strike ''paragraph (8)'' and insert ''paragraphs (8) and (9)''.

In the matter proposed to be inserted by the amendment made by section 7(a)(2) of the bill, redesignate paragraphs (8) and (9) of subsection (c) as paragraphs (9) and (10), respectively.

In the matter proposed to be inserted by the amendment made by section 7(a)(2) of the bill, after paragraph (7) of subsection (c), insert the following new paragraph:

''(8) DHS CERTIFICATION REQUIREMENTS FOR COVERAGE AVAILABILITY.—

''(A) REQUIREMENT.—The Director may not make any multiperil coverage available under this subsection unless the Secretary of Homeland Security, in consultation with Comptroller General of the United States and the Director of the Congressional Budget Office, has certified to the Congress that—

''(i) the national flood insurance program is actuarially sound;

''(ii) chargeable premium rates for flood insurance coverage under such program will not be increased as a result of the implementation of the program under this subsection for multiperil coverage; and

''(iii) if the program under this subsection for multiple peril coverage is implemented, it will be operated in an actuarially sound manner.

''(B) DETERMINATION.—The Director shall make a determination of whether the national flood insurance program meets the conditions specified in clauses (i) and (ii) of subparagraph (A) not later than the expiration of the 6-month period beginning on the date of the enactment of the Flood Insurance Reform and Modernization Act of 2007.

''(C) ACTUARIALLY SOUND.—For purposes of this paragraph, the term 'actuarially sound' means, with respect to the national flood insurance program that premiums under such program are priced according to risk, or by such standards and methods as a generally accepted by the actuary industry, incorporating up-to-date modeling technology,

and taking into consideration administrative expenses, including potential debt service, in the case of a deficit.''.

The SPEAKER pro tempore. The gentlewoman from Minnesota is recognized for 5 minutes.

Mrs. BACHMANN. Mr. Speaker, today, over 5 million Americans rely on the National Flood Insurance Program to protect their homes and businesses in the event of a flood.

But since January of last year, there have been over 77 declared disasters involving flooding. And just this August, in our home State of southeastern Minnesota, we experienced severe flooding that caused distress to over 1,500 homes.

According to FEMA, and according to the Minnesota Homeland Security and the Emergency Management, the Federal Government has disbursed at this point nearly $31 million in Federal recovery funds to over 4,200 people. And currently, there are over 8,000 people, specifically, there are 8,434 national flood insurance policies in effect in my home State of Minnesota.

But, unfortunately, as floods continue to occur across our great Nation, the National Flood Insurance Program is in trouble. It's not good news. It's bad news. And the program today, unfortunately, is $18 billion in debt. That's today, as it stands, and it's required to pay that debt back with interest over time. This debt will be paid back with the premiums that are charged to those families who are relying on this flood insurance program.

The base bill that's before us is a good one because it attempts to help solve some of the fiscal problems today that are facing the National Flood Insurance Program. We agree with that, Mr. Speaker.

But, yet, there is one provision in this bill that has the potential to undo the very positive reform that is before us, and that is to send the flood insurance program into even further fiscal disarray and result in premium increases for homeowners all across America, something that no one in this body would want to do.

The proposal, Mr. Speaker, that's included in this bill is to expand the National Flood Insurance Program by creating a brand-new insurance program for wind damage. That's something that has never existed before, and it's akin to a homeowner who, upon discovering that his foundation is rotting, decides to ignore that problem and instead adds a second story on to that rotting house. And he shouldn't be surprised then when the whole house collapses around him.

I have a very simple amendment, Mr. Speaker, and it says this: it does not strike the brand-new wind insurance program. What it does is this: it stipulates that before the program can go into effect, three things have to occur. This is something that we can all agree on:

Number one, there has to be a certification that the existing National Flood Insurance Program, in fact, is actuarially sound, and this certification would provide all of us with the assurance that this program is correctly pricing its policies and has adequate reserves on hand to handle large flood events. We've seen that there's been a problem with this in some of the State reserve accounts.

Today, right now, both the Government Accountability Office and the Congressional Budget Office have reported that the National Flood Insurance Program is likely to not be actuarially sound.

Second, there has to be a certification that premiums for people in the existing flood insurance program will not be increased to subsidize this brand-new insurance program. People all over America are wondering if that's going to happen to them as well as the insurance companies.

And then third, of this simple amendment, it says there has to be a certification that the new wind insurance program will, itself, be fiscally sound. Who can argue with that?

So, Mr. Speaker, the 8,434 people of the State of Minnesota and the 5 million Americans who today rely on our National Flood Insurance Program, they need to serve as a lifeline in the event of a major storm, that they would not have that program in endangered, that their premiums would not, in fact, be increased in order to help create, in fact, this new expansion of an expansion of a wind program.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Does the gentleman from Massachusetts continue to reserve his point of order?

Mr. FRANK of Massachusetts. No, Mr. Speaker, I do not press the point of order.

The SPEAKER pro tempore. The point of order is withdrawn.

Is the gentleman from Massachusetts opposed to the motion?

Mr. FRANK of Massachusetts. I am opposed to the motion. I would press, instead, a point of logic, more appropriate here.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. FRANK of Massachusetts. And the logic is this: we have a proposal that came forward, brought forward by the gentleman from Mississippi to add a program to the National Flood Insurance Program that says that if you have national water insurance, you can, at your option, add wind insurance. Remember, no new insured are eligible here. You have to have water and then you can get wind.

The argument that the gentleman from Mississippi has made irrefutably on this House floor is that you simply cannot, days after a storm has damaged, try to sort out what was wind and what was water.

Now, unlike the flood program, the gentlewoman from Minnesota is right, the flood program is in deep debt. We inherited, from our Republican colleagues, a flood insurance program that is hurting. They had control of that program, House, Senate and President; and it went into debt.

As the gentlewoman says, we have a bill, and we had it last year in the House too, but not in the Senate, that makes it better. Everyone agrees that our bill, everyone who has read it agrees that our bill reduces the financial problems with flood, but it doesn't wipe them out. There's a large problem there. Billions of dollars.

Here's the illogic. The gentleman from Mississippi has put forward a proposal for optional wind insurance which will have to be actuarially sound. When the flood insurance program was passed, there was no PAYGO. Flood insurance is hurting. They're supposed to be actuarially sound, but it's very loose.

We have written into this bill, with regard to wind, requirements that it be actuarially sound, that it break even for the Federal Government, that the Congressional Budget Office certifies as perfectly good. So there is no argument possible that the wind program will add to the danger. CBO has certified that it is sound. So we have a new wind program that will be actuarially sound; CBO certifies that. And the bill says that if the program starts to run into a deficit, it cuts off. Automatic.

We then have the water program, which the Republicans left us as their inheritance, which is deeply in debt. They are saying that the fiscally sound wind program that's in this bill, certified by CBO, cannot go into effect until we've solved the problem they left us in the water program. They are saying that. They don't have anything to say bad about the wind program. They're saying that you can't do the wind program until you've solved the water problem. And the water problem is billions.

How would you solve it?

Well, you'd substantially raise people's premiums.

I should note, Mr. Speaker, that no one on the Republican side has proposed to try to make it actuarially sound. We are trying to get in that direction. But no one on the Republican side thinks it's reasonable to immediately wipe out that huge debt.

They don't like the wind program. They don't want to take it on head on, so they have come up with this scheme which says, the fiscally sound, CBO-certified, actuarially-legitimate wind program can't go forward until we clean up the $19 billion problem they left us in the flood program. I do not think that is very logical.

The gentleman from Mississippi, as I said, made the case for the wind program. So this becomes a case for the wind program.

Here's the deal: you're told to leave your house because a hurricane's coming. You come back a few days later and there's devastation, and you have to figure out what was caused by wind

and what was caused by water because if you have a wind policy from a private company, they will argue, in many cases, that water caused all the damage, and you are very hard pressed to find it out.

If you then, instead, have a combined wind and water policy from the Federal Government, you then don't have to go through this metaphysical exercise. You simply get the payment for your damages.

Now, that's the logical point that the gentleman from Mississippi put forward. And it is going to be, as CBO said, break even for the Federal Government.

So here's the recommit: the Federal Government cannot go to the aid of people facing that dilemma of trying to decide wind versus water, which has been certified as fiscally neutral by CBO, until we solve the problem that we got in the water issue.

It really is not a logical thing to do. It is simply a way to try to kill the wind program. A more straightforward way would have been to simply kill the wind program. I'm sorry they didn't get an amendment to do that. But they could have done that straightforwardly in the recommit.

So I hope that Members will vote ''no.'' The only issue here is should we initiate a voluntary program whereby people who have Federal water insurance can also get wind insurance in a manner that is certified by CBO to add nothing to the deficit, to do nothing to hurt the Federal flood insurance program, but to be actuarially sound.

I hope the motion is defeated.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mrs. BACHMANN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 179, noes 232, not voting 21, as follows:

[Roll No. 920]

AYES—179

Aderholt
Akin
Alexander
Bachmann
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Murphy (CT)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pitts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—232

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Bonner
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Gerlach
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jefferson
Johnson (GA)
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Peterson (MN)
Pickering
Platts
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wicker
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—21

Bachus
Carson
Conyers
Cubin
Davis, Jo Ann
Doyle
Everett
Hastert
Herger
Hinojosa
Jackson-Lee (TX)
Jindal
Johnson, E. B.
Kennedy
Kline (MN)
LaHood
Markey
Moran (KS)
Moran (VA)
Perlmutter
Reichert

□ 1646

Messrs. SPACE, HODES, and FERGUSON changed their vote from ''aye'' to ''no.''

Mr. TOM DAVIS of Virginia changed his vote from ''no'' to ''aye.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRANK of Massachusetts. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 263, nays 146, not voting 23, as follows:

[Roll No. 921]

YEAS—263

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Bonner
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Butterfield
Camp (MI)
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Donnelly
Drake
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Ferguson

Filner
Forbes
Frank (MA)
Gerlach
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Graves
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Hill
Hinchey
Hirono
Hobson
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jefferson
Johnson (GA)
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Keller
Kildee
Kilpatrick
Kind
Kirk
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Peterson (MN)
Pickering
Platts
Poe
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Regula
Reyes
Richardson
Rodriguez
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tiahrt
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weldon (FL)
Weller
Wexler
Whitfield
Wicker
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth
Young (FL)

NAYS—146

Aderholt
Akin
Alexander
Bachmann
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Blackburn
Blunt
Boehner
Bono
Boozman
Broun (GA)
Burton (IN)
Buyer
Calvert
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Deal (GA)
Doolittle
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Flake
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gingrey
Gohmert
Goode
Goodlatte
Granger
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Higgins
Hoekstra
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jordan
King (IA)
King (NY)
Kingston
Knollenberg
Kuhl (NY)
Lamborn
Latham
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
McMorris Rodgers
Miller (MI)
Miller, Gary
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pitts
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Westmoreland
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)

NOT VOTING—23

Bachus
Carson
Conyers
Cubin
Davis, Jo Ann
Dingell
Doyle
Everett
Green, Al
Hastert
Herger
Hinojosa
Jackson-Lee (TX)
Jindal
Johnson, E. B.
Kennedy
Kline (MN)
LaHood
Marshall
Moran (KS)
Moran (VA)
Perlmutter
Reichert

□ 1655

Mr. CONAWAY changed his vote from ''yea'' to ''nay.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## PERSONAL EXPLANATION

Mr. REICHERT. Mr. Speaker, on September 27, 2007, I missed three rollcall votes. I was unavoidably detained at a medical appointment. Had I been present, I would have voted "no" on rollcall No. 919, "yes" on rollcall No. 920 and "no" on rollcall No. 921, final passage of HR 3121, the Flood Insurance Reform and Modernization Act.

## AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3121, FLOOD INSURANCE REFORM AND MODERNIZATION ACT OF 2007

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical corrections in the engrossment of H.R. 3121, to include corrections in spelling, punctuation, section numbering and cross-referencing, and the insertion of appropriate headings.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## GENERAL LEAVE

Ms. VELÁZQUEZ. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and insert into the RECORD extraneous material on the bill to be considered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

## SMALL BUSINESS INVESTMENT EXPANSION ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 682 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 3567.

□ 1656

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 3567) to amend the Small Business Investment Act of 1958 to expand opportunities for investments in small businesses, and for other purposes, with Mr. KIND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentlewoman from New York (Ms. VELÁZQUEZ) and the gentleman from Ohio (Mr. CHABOT) each will control 30 minutes.

The Chair recognizes the gentlewoman from New York.

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, venture capital is the life blood of our Nation's small businesses. Venture capital not only serves as the raw material for economic growth and job creation, but also acts as fuel for the pursuit of new ideas and innovation. Without it, businesses cannot expand, and even the best ideas wither and die in what has come to be known as the ''Valley of Death'' between setup and commercialization. Clearly, our Nation's 26 million entrepreneurs depend upon this resource, and yet despite its obvious importance, venture capital remains elusive to the vast majority of small businesses.

The Small Business Investment Expansion Act of 2007 is a bipartisan effort introduced by Mr. ALTMIRE and Mr. GRAVES. This legislation signifies our commitment to helping small businesses receive the venture capital that is vital to economic growth, innovation and job creation; and I rise in support of this bill.

Perhaps no Federal agency is better positioned to meet the challenges of small business investment than the Small Business Administration. Since 1958, the SBA's investment programs have helped hundreds of small businesses and have contributed to the success of several of our Nation's notable companies, including Apple Computer, Federal Express, Staples, and Costco. Unfortunately, the SBA's programs have suffered the effects of mismanagement, flat funding and neglect in recent years. By the SBA's own estimates, the total unmet need for early-stage equity financing for small businesses is approximately $60 billion each year. Additionally, it has been identified that the greatest equity capital financing need of small businesses is financing in the amount of $250,000 to $5 million.

While new investment strategies possess the potential to make a significant

impact on unmet capital needs of start-up businesses, they have not been fully leveraged for the benefit of our Nation's entrepreneurs. The new market's venture capital program has also not achieved its full potential. And perhaps most notably, unreasonable and outdated policies are still in use, and they restrict the free flow of venture capital and other forms of investment to small firms.

□ 1700

This policy has had an obvious impact on the ability of new businesses to access venture capital. Over the past 5 years, there has been a steady shift of venture capital away from newly formed businesses toward later-stage businesses. In 2002, the SBA licensed 41 new SBIC funds, more than half of which focus on investment in early-stage businesses. By contrast, in 2006, the SBA licensed only 10 new SBIC funds, none of which were for investment in early-stage businesses.

The Small Business Investment Expansion Act of 2007 represents an important step toward revitalizing SBA's investment mission. This legislation features a renewed focus on providing equity capital to startup firms and businesses in low-income areas, two key sectors of the small business community that have continued to face particularly high barriers to securing venture capital. The bill will also establish a new Angel Investment Program to fill the gap in seed capital that was created by the elimination of the participating securities program.

H.R. 3567 touches on all aspects of the SBA's investment mission, including the SBA's surety bonding program. This bill will provide much-needed updates to this program and will introduce initiatives aimed at increasing the number of businesses and bonding companies that participate in the program. Our small businesses have always been the incubators of innovation, and investment has been the fuel for this great engine of American economic development. As we continue to rely on entrepreneurs to spur economic growth and create jobs, the need for venture capital will only continue to grow. This legislation ensures that small businesses will have the resources they need to remain competitive and successful while ensuring that SBA's programs are the premier source for small business capital.

For these reasons, H.R. 3567 has the support of the National Venture Capital Association, the Value Technology Industry Organization, the Surety and Fidelity Association of America and the American Insurance Association.

Mr. Chairman, I strongly urge my colleagues to vote for the Small Business Expansion Act of 2007, and I reserve the balance of my time.

Mr. CHABOT. I yield myself such time as I may consume.

Mr. Chairman, today I rise in support of H.R. 3567, the Small Business Investment Expansion Act of 2007. Risk-taking and entrepreneurship have been part of the American fabric since this country's founding, whether it was emigres from France founding a munitions company in the early years that would later become DuPont or an immigrant peddler who would go on to create Lazarus stores in my district, Cincinnati, now Macy's, or two Dayton, Ohio bicycle mechanics who invented the airplane. The rise of America is replete with stories of entrepreneurs taking risks to change the economy and ultimately the world.

Recent history continues that trend. The most powerful computer software company in the world, Microsoft, was created by two college dropouts working out of a Seattle garage. Steven Jobs was tinkering in his garage when he developed the computer that would lead to the creation of the Apple. Fred Smith created Federal Express based on a paper written for an undergraduate class at Yale. All of these entrepreneurs succeeded because they had an idea and were able to raise the money they needed to perfect and market that idea.

Yet, America has changed. Investors, venture capitalists, hedge funds, and private equity firms use sophisticated global investment strategies to maximize their returns. The budding entrepreneur with a great idea today might get lost in the search by investors for a company with a significant business history and record of returns. To maintain America as the leader of innovative entrepreneurial firms, we must ensure economic and fiscal policy that provides capital to entrepreneurs.

There is little doubt that efforts of Congress, when Republicans controlled it, to adopt tax policies that spurred investment and growth provided significant incentives to invest in businesses. That is why I would very much like to see those tax policies ultimately made permanent, so we don't go back and raise taxes. But the Committee on Small Business has heard that the market does not provide adequate equity funding to the smallest of startup businesses, including those that will become the next Dell Computer, Nike, Outback Steakhouse or Callaway Golf Clubs. H.R. 3567 takes, in my view, a balanced approach to ensure that these new businesses have access to capital. It balances the need for limited Federal funding with fiscal restraint and protects the Federal taxpayers.

Now, during the markup of this bill, I did voice strong objections to title V as it was introduced. There are five titles in this particular piece of legislation. Since markup of the legislation, however, to the credit of the gentlewoman from New York, Nydia Velazquez, we worked together and we negotiated in good faith and reached a bipartisan agreement to address the concerns that we voiced. I believe that the compromise that we reached adequately addresses my concern. I want to again compliment the chairwoman for her leadership in that effort. It eliminates some of the more egregious decisions of the SBA concerning venture capital investment in small businesses while maintaining the integrity of the Federal procurement process for small business by preventing conglomerations of venture-owned firms to bid as small businesses.

Mr. Chairman, in closing, I would again like to thank the chairwoman for working in a bipartisan manner on this bill. I would also like to thank her staff, particularly Michael Day and Adam Minehardt, for their work on this important piece of legislation. I also want to thank Barry and Kevin Fitzpatrick for their help, as well, on this bill.

Mr. Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. ALTMIRE). He is the chairman of the Small Business Subcommittee on Investigations and Oversight and the leading sponsor of this bill.

Mr. ALTMIRE. Mr. Chairman, I thank the chairwoman, Ms. VELÁZQUEZ, for her assistance in putting together the Small Business Investment Expansion Act. I appreciate the opportunity I have had to work with Mr. CHABOT and Mr. GRAVES, to work with both of them to produce a bipartisan bill that will benefit small businesses across this country. Their input was invaluable, and I thank each of them for their leadership.

I represent a district that extends north of Pittsburgh which is home to world-class universities. Western Pennsylvania has thousands of small business innovators who are doing cutting-edge research and development in the life sciences. Western Pennsylvania's entrepreneurs have created numerous success stories; however, many of these companies did not become success stories overnight. Each of them had their challenges. Unfortunately, thousands of small businesses are formed each year that are unable to take that next step and overcome the capital expenses necessary to keep their businesses afloat during the early going.

Part of the problem resides within the Small Business Administration's investment programs. The current Small Business Investment Act was written in 1958 and simply did not envision the type of capital environment that exists today in the 21st century. This antiquated law has led to inefficiencies in the SBA that contribute to an annual shortfall of $60 billion in unmet capital needs for American small businesses. Small businesses often require an infusion of private investment to purchase additional assets, such as equipment, office space and personnel. But the private investment can be difficult to acquire.

To address the substantial unmet capital needs of small businesses in western Pennsylvania and across the country, I introduced the bill we are

debating today, the Small Business Investment Expansion act. My bill will improve the environment for small businesses by expanding access to two vital sources of investment: venture capital and angel investments. Not only do small businesses require investment capital, they also require support that will allow them to do research and development. Current regulations prohibit a number of these small firms from qualifying for support offered through Federal initiatives due to their venture ownership. With this legislation, we can create a fix that reflects the reality of today's climate, that there are many small companies entering into industries that depend on this type of investment as their primary financing option.

Small businesses are the backbone of our economy. It is critical that the Federal Government do more to connect these small firms with the capital investment required for them to succeed. This bill modernizes the SBA's investment programs and creates an environment that facilitates the flow of capital to small businesses. This bill will create jobs, grow the economy, and help thousands of entrepreneurs grow from startups into thriving small businesses.

Mr. Chairman, for that reason, I strongly support this bill. I encourage my colleagues to vote for it.

Mr. CHABOT. Mr. Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. I yield 2 minutes to the gentlewoman from Pennsylvania (Ms. SCHWARTZ).

Ms. SCHWARTZ. Mr. Chairman, I rise to express my support for the Small Businesses Investment Expansion Act and to commend my colleague from Pennsylvania for his leadership on this issue. In particular, I appreciate his work to include a provision that modernizes the definition of a small business.

In today's economy, there are many small companies entering high technology, capital-intensive industries that require significant investment to bring their products to market. I have seen this firsthand in my home State of Pennsylvania, which is a national leader in biotechnology initiatives. The biosciences have had a significant economic impact on Pennsylvania's economy with more than 125 biopharmaceutical companies and 2,000 bioscience-related companies calling the Commonwealth of Pennsylvania their home. These companies are developing groundbreaking therapy, devices, diagnostics and vaccines that really will treat once-untreatable diseases and debilitating conditions, providing hope for millions of people.

But developing new cures is not cheap. It often takes 10 years or more and costs hundreds of millions of dollars to bring a new treatment to market. This means that new bioscience companies can experience years of large cash outlays before they have the opportunity to cover their costs and repay their loans, let alone realize any profit.

As the author of a comprehensive proposal, the American Life Sciences Competitiveness Act, I have identified a number of actions that this Congress can and I hope will take to improve access to capital for this life-saving research and product development.

I am pleased to lend my support to this bill before us today that would correct the outdated SBA regulations that currently preclude these small businesses, even those with only a handful of employees, from receiving assistance because they rely on venture capital to fund their work. It is time to enable these American small businesses, which are such a vital part of our Nation's economic growth, to compete for Federal grants and other small business assistance so they may pursue cutting-edge technologies and products that will benefit us all.

Mr. CHABOT. I yield 4 minutes to the gentleman from Missouri (Mr. GRAVES) who has been one of the two principal sponsors of this important legislation.

Mr. GRAVES. Mr. Chairman, I first would like to thank Ranking Member CHABOT and Chairwoman VELÁZQUEZ for moving forward with this bill.

Mr. Chairman, this bill is critically important to small businesses. I am glad I could be a part of this very important process. Small businesses are the backbone of our economy. Access to capital is essential to their survival and growth. I want to thank you for your support and thank them for their support on these provisions.

I also want to note the bipartisan nature of how the Small Business Investment Expansion Act passed through committee and is here before us on the House floor. Some initial concerns were brought up over the legislation. I am pleased to report that those concerns have been resolved due to the open and transparent manner in which this bill is being considered.

Lastly, I would like to thank the staffs of Chairwoman VELÁZQUEZ and Ranking Member CHABOT for all their hard work on this issue. This bill has been a work in progress for roughly 3 years. I appreciate all the work that they have done on my behalf. This is a very important issue to me, my constituents, and small businesses everywhere. I am very glad to see it before the House today.

The Small Business Investment Expansion Act improves small business access to capital. Whether it is from the Small Business Administration, SBA, or through private investment, capital helps small companies bring their products to market and succeed. With an economy dependent on the success of small companies and firms, it is essential to pass this legislation.

I want to speak to title V of this bill for a brief moment. The language included in this title deals with the SBA affiliation rules and has been an issue of utmost importance to my constituents and to me over the past few years. Private investment in small business is a good thing and should be encouraged, not discouraged. The language will exclude the employees of these private investors when determining the size of a small business, thus allowing them continued access to important programs under the SBA.

□ 1715

This is important because many small firms and capital intensive fields rely on private investment to continue the very promising research and development that has attracted such development. The SBA has a number of programs that have proven vital to the success of small businesses and want to ensure our small businesses have continued access to them.

American innovation is what drives this country and its economy, and as Members of Congress we need to create an environment that will keep American innovation at the forefront of the global market. As a member of the Small Business Committee, I work to advocate on behalf of small businesses. The passage of this bill is a tremendous help to the competitiveness of those small firms, which is why I support its passage.

Again, I would like to thank the chairwoman and ranking member.

Ms. VELÁZQUEZ. Mr. Chairman, I would like to say to the gentleman, Mr. GRAVES, thank you so much for the work that you have done with the committee to work in a bipartisan manner to address the issues that are important to small businesses in this country. Your input and collaboration in putting together this legislation is greatly appreciated.

Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. RYAN).

Mr. RYAN of Ohio. Mr. Chairman, I thank the gentlewoman and also want to lend my support to this fine piece of legislation. I also thank the gentleman from Ohio (Mr. CHABOT). This is something that many areas of our country need. Those areas that once thrived in the Industrial Age and are trying to recreate their economy need the kind of early capital that this bill is going to put into these small firms.

The gentleman from Pennsylvania who was here earlier, Mr. ALTMIRE, and I are trying to create a Technology Belt between Cleveland, Akron, Youngstown, and Pittsburgh. We have many early startup companies that need the venture capital that they are going to be able to access, in particular in the New Market Venture Capital Program, which will allow low-income areas to expand the reach for more capital to go in there, also the office of Angel Investment, where we have public-private partnerships so that those early startup companies will have that early capital that they need. Tax cuts for the top 1 percent don't get to these businesses. We need that early capital in order to grow them

In Ohio, for example, we have a company in Cleveland called BioEnterprise.

Over the past 5 years they have brought in over $500 million in venture capital, 80 percent of it from outside of the State of Ohio. They employ 20,000 people in northeast Ohio. The hardest thing for them to do is to get that early venture capital. That's what this bill does.

So I want to thank the gentlewoman, I want to thank the gentleman from Ohio and also the gentleman from Pennsylvania for putting this together. We are giving life and hope and opportunity to those areas of the country that are trying to retool their economy. This is going to allow us to do this, whether it's medical device technology, any kind of medical technology that may be coming up, advanced manufacturing. These are the kinds of programs that we need.

So I want to thank everyone again for putting so much effort into this bill and being so thoughtful. These are the kinds of things that are going to help us create a strong, vibrant economy in the United States and in the industrial Midwest.

Mr. CHABOT. Mr. Chairman, I continue to reserve my time.

Ms. VELÁZQUEZ. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California (Ms. WOOLSEY) for the purpose of entering into a colloquy.

Ms. WOOLSEY. Mr. Chairman, I rise today to engage in a colloquy with the chairwoman. I thank her for agreeing to do this with me.

Madam Chairman, there has been a concern expressed from some voices in the small business community that title V of this bill will open up small business Federal contracts to be taken advantage of by large corporations and venture capital firms. If this is true, it's obviously a concern, because it would directly cut against the intent of this bill.

Can the chairwoman please explain to me the protections in this bill that she believes will prevent large corporations and venture capital firm from abusing the intent of the bill?

Ms. VELÁZQUEZ. Mr. Chairman, I thank the gentlewoman from California for bringing up these concerns. The Small Business Committee is a champion of small business and, as such, has strong protections built into this bill to prevent large corporations and venture capital firms from unfairly benefiting from Federal small business contracts.

You will be pleased to know that eligible VCs cannot have more than 500 employees, they cannot be controlled by a large corporation, and they must be based in the United States. In addition, an amendment by Mr. CHABOT has been made in order under the rule that will even further strengthen these protections by adding a requirement that no VC can own more than 50 percent of any eligible small business.

I am confident that these provisions will protect the intent of this bill and prevent large corporations or venture capital firms from taking advantage of these programs.

Ms. WOOLSEY. I thank the gentlewoman. There seem to be adequate protections in this bill to ensure small businesses are the ones getting these contracts and that they aren't unfairly influenced by large capital firms.

Again, I thank the Chair for engaging in this colloquy with me.

Ms. VELÁZQUEZ. I yield 2 minutes to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Chairman, I would like to express my support of this bill and congratulate the Chair for her great work.

Mr. Chairman, there's a lot of great news in this bill: updating the definition of small business for today's realities, taking care of small companies that are entering into high-technology capital-intensive industries. Many of these small companies are based in my home State of Washington. There's over 200 biotechnology and medical device companies. They are developing cures for debilitating diseases; they are improving the Nation's biodefense system.

Mr. Chairman, 44 percent of these companies have been formed just in the last 5 years, and they obviously rely heavily on venture capital. Unfortunately, there's some outdated SBA regulations that currently preclude small businesses, even though with a handful of employees, from receiving assistance simply because they rely on venture capital funds for their R&D.

I want to thank the chairwoman for including as a solution to this a provision that will correct this unwise discrimination that is now going on against small businesses that are so dependent on venture capital funding. Today, these companies will again be able to compete for grants and receive other small business assistance because of a provision in this bill. I have been working on a legislative solution for quite a while, so I am very happy to see this fixed today.

We are happy to see the American Dream is going to be helped by this bill. I want to thank the chairwoman again. I look forward to future success.

Mr. CHABOT. Mr. Chairman, I have no further speakers.

I just want to again thank the chairwoman for her cooperation in drafting what is essentially, I believe, a very good bill, which will improve small business' ability to have access to capital all across the country.

Without further ado, I yield back the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, I just would like to take this opportunity to thank the staff that worked on this bill. From Mr. ALTMIRE's office, Cara Toman; from Mr. GRAVES' office, Paul Sass; and from the minority staff, Barry Pineless. From the majority, I would like to thank Adam Minehardt and Andy Jiminez.

Mr. Chairman, I strongly urge my colleagues to vote for the Small Business Investment Expansion Act of 2007.

Mr. LOEBSACK. Mr. Chairman, I rise today in strong support of the Small Business Investment Expansion Act.

Today's small business owners are leaders in job creation and economic development not only in Iowa, but across the country. Small businesses create 80 percent of new jobs in the United States, and they make up 97 percent of United States exporters. They are truly the backbone of our Nation's economy.

Many of Iowa's communities are built upon the strength of small businesses, and ensuring that entrepreneurs have the resources and tools their businesses need to thrive is critical to their success.

Yet access to capital is an increasingly common concern for new business owners. The Small Business Investment Expansion Act takes vital steps to reverse this trend. By increasing access to loans, capital, and Angel investors, this bill ensures that the Small Business Administration is an effective partner for our Nation's small businesses.

It overhauls the Small Business Investment Company and the New Markets Venture Capital program to improve the efficiency of their resources for fledging enterprises. The Small Business Investment Expansion Act also creates a new Angel Investment program to provide seed financing to new businesses through public-private partnership. Through these changes, as well as renewed investments in under-served areas, this bill will provide small businesses with critically needed support.

Small business owners are leaders in their communities, and innovative support programs are essential tools that help them to flourish. In my district, the Economic Development Center was established to help small businesses grow and succeed not only in Iowa's Second District, but across the State. To date, the EDC has assisted over 300 entrepreneurs; raised over $6 million in capital for its businesses; and helped to generate over $30 million for the region through the success of its businesses. In turn, EDC businesses created over 200 new jobs.

I am a proud advocate of the Economic Development Center, and I believe that the Small Business Investment Expansion Act will help organizations such as the EDC to be even more effective partners with Iowa's—and our country's—small businesses.

Mr. HONDA. Mr. Chairman, I rise to express my support for H.R. 3567, the Small Business Investment Expansion Act. In particular, Title V of the Small Business Investment Expansion Act modernizes the definition of a small business so that it reflects current reality. In today's economy, there are many small companies entering high technology, capital-intensive industries that receive venture capital investment.

Many of these small companies are based in my home State of California. California is one of the most innovative States in the country, with the San Francisco Bay area as the birthplace of the biotechnology industry. From 2000 to 2003, California biotech companies developed 32 breakthrough drugs, and over 600 new therapies are currently in the research and development pipeline. Private investment is the lifeblood of the biotechnology industry, and venture capital investment in life sciences typically outpaces investment in any other industry. This venture capital investment

allows small biotechnology companies to pursue breakthrough technologies—from developing cures for debilitating diseases to creating alternative energy sources.

Also concentrated in my Silicon Valley district, the burgeoning nanotechnology industry has been predicted to be a $1 trillion market by the year 2017. Many of these small, innovative nanotech companies rely on venture capital investments to support their heavy costs of startup and basic research and development. In 2005, the Blue Ribbon Task Force on Nanotechnology that I commissioned to advise me on ways to promote the development and sustainability of the nanotechnology industry recommended expanding Small Business Innovation Research eligibility in the same way as Title V of H.R. 3567.

Unfortunately, the outdated U.S. Small Business Administration regulations currently prevent small businesses from receiving assistance if they rely on venture capital to fund their R&D. Often some of the most important breakthroughs these companies make are a result of the riskier work they do, which only federal funding for small business research can enable. H.R. 3567 will correct this unwise discrimination against small businesses that receive venture capital funding so that these companies will again be able to compete for grants and receive other small business assistance.

By making this important change to the SBA regulations, the House will be moving forward on another piece of our Innovation Agenda and helping to keep America a leader in the global marketplace. I thank my colleague Mr. ALTMIRE for introducing this bill; Chairwoman VELÁZQUEZ and Ranking Member CHABOT for moving it through their committee; and Majority Leader HOYER and Speaker PELOSI for bringing this bill to the floor. I urge my colleagues to vote in favor of H.R. 3567.

Mr. HOLT. Mr. Chairman, I rise today in support of H.R. 3567 the Small Business Investment Expansion Act.

Much of the economic success that we enjoy as a Nation is the result of innovation and development by America's small business community. Almost half of Americans working in the private sector are employed by small businesses. They are responsible for over 45 percent of our national payroll and have created 60 to 80 percent of new jobs over the last 10 years.

Since it was created in 1953, the Small Business Administration, SBA, has played an essential role in maintaining and strengthening the Nation's economy by aiding, assisting and protecting the interests of America's small businesses. However, there is an expanding gap between the assistance that the SBA's programs are able to provide and the capital needs of small businesses.

The legislation before us today will help to close this gap by expanding and improving two of the SBA's most successful programs, the Small Business Investment Company and the New Markets Capital Program. As a public-private partnership the Small Business Investment Company program stimulates and supplements the flow of private equity capital and long term loan funds for the sound financing, growth, expansion and modernization of small business operations. This program was able to leverage more than $21 billion to 2,000 small businesses in the last year alone; however more could be done to improve access to this program. This legislation will expand access for early-stage and capital-intensive small businesses by simplifying how maximum leverage caps are calculated and revising the limitation on aggregate investments. H.R. 3567 will also expand access to the New Markets Venture Capital program that provides entrepreneurial expertise and equity capital to small businesses in low-income regions. This legislation not only expands the programs but provides incentives for investors to invest in small manufacturing companies.

Additionally, H.R. 3567 will create a new office within the SBA to help start-up of companies find investors to support them in their early stages of growth, the Office of Angel vestment. This legislation will focus on three main initiatives: providing angel groups with matching financing leverage, create a federal directory of angel investors, and funding for awareness and educational programs about angel Investment opportunities.

Small businesses make up the engine that drives our economy. The legislation before us today will give small businesses the tools that they need to succeed. I therefore encourage my colleagues to support this legislation.

Mr. MANZULLO. Mr. Chairman, I rise in reluctant opposition to the Small Business Investment Expansion Act of 2007, H.R. 3567. The non-partisan Congressional Budget Office, CBO, estimates that this bill will cost $102 million over the next 5 years. Thus far this year, the CBO estimates that the Democrat-controlled House Small Business Committee has authorized $5.9 billion in new spending over the next 5 years—$1.55 billion in fiscal year 2008 alone. To put this massive spending increase in perspective, the Fiscal Year 2008 Financial Services Appropriations bill, H.R. 2829, provides $582 million in total spending on the SBA in FY 08.

In the past, legislation dealing with programs in the Small Business Investment Act operated under the assumption that the bill should not cost the taxpayer any new money. I am proud that the Republican-led Congress took the Small Business Investment Company, SBIC, program to ''zero-subsidy,'' funded solely by user-fees, first with the debenture program in 1996 and then the participating securities program in 2001. I regret that because of the downturn in the markets earlier this decade, the participating securities component of the SBIC program, which targeted equity investments in early stage small businesses, has become essentially insolvent and defunct since 2005. During the 109th Congress, I tried numerous ways in my capacity as chairman of the House Small Business Committee, to thread the needle to reopen the participating securities program while still keeping it at ''zero subsidy.'' However, H.R. 3567 abandons fiscal restraint by creating yet another new program to promote equity investments in early stage small businesses.

First, CBO estimates that the creation of the Angel Investment Program in Title III of H.R. 3567 will cost $57 million over the next 5 years. While there is a provision that requires an angel group repay any investment it receives, the repayment comes solely out of any profit the group receives. But what if the angel group makes no money? Then the taxpayer is left holding the bag. This is a departure from the regular SBIC program where upfront fees are also charged, in addition to retaining a share of the profits, to help offset the cost of the program.

The bill creates yet another new office and more bureaucracy at the Small Business Administration, SBA, to promote angel investments in early stage small firms. It also spends $1 million to create a Federal angel network to collect and maintain information on local and regional angel investors that is readily available over the Internet, e.g., www.bandofangels.com. H.R. 3567 also spends $1.5 million to create yet another grant program to increase awareness and education about angel investing, heaping potentially yet another mission upon the already stretched Small Business Development Center, SBDC, program. Earlier this year, the House passed three SBDC-related bills that created nine new programs for them to implement.

Last year, I held a hearing on the Small Business Committee to listen to the leading experts on the angel movement. At the time, the committee debated similar angel legislation, H.R. 4565, offered by Democrats to what is on the floor today. All the witnesses except the one called by the Democrats testified that because of the decentralized and informality of angels, a tax credit modeled after what exists in many states is far more preferable to creating yet another office and program at the SBA to promote angel investments. This is what the leading experts in the angel movement said about the ideas contained in H.R. 4565, which is now Title III of H.R. 3567, at the May 10, 2006, Small Business Committee hearing:

Dr. Ian Sobieski, founder and managing director of the Band of Angels: ''I would be wary of any kind of government interaction with angel groups because of the danger of perturbing a natural market process that is still good for it. The tax credit changes the environment in which capital decisions are being made . . . The danger in . . . data collection is the implied authority by which it is collected. If the Federal Government gets involved in collecting data (on angels) that has the imprimatur of the United States Government, that speaks with great weight.''

Susan Preston of Davis, Wright Tremaine LLP: ''. . . the vast majority of investments by angels are done by individuals, not members of angel groups. These are highly independent autonomous anonymous individuals that don't want their name in databases and aren't interested, for the most part, in joining groups.''

I simply don't understand why this Democratic-led Congress ignores the advice of angel experts to direct the SBA to provide capital to extremely wealthy individuals to support investments they probably would make anyway. I'm also surprised that this Democratic-led Congress, which routinely criticizes the SBA for its alleged incompetence, would add another yet another mission to its responsibilities. That's why I was proud to join Representative EARL POMEROY of North Dakota in reintroducing the alternative to this government-run approach—the Access to Capital for Entrepreneurs, ACE, Act of 2007, H.R. 578—to keep decisions on angel investments at the individual and local level.

Second, I also have concerns about Title II of H.R. 3567 that dramatically expands the New Markets Venture Capital, NMVC, program and opens up the Federal Government to more exposure. The CBO estimates that Title II raises the subsidy or exposure rate to 17 percent and will cost the taxpayer $11 million over the next 5 years. The mission of the

NMVC is to promote venture capital investments in economically distressed communities in both urban and rural America. However, I believe the NMVC program is already a triplicate of two other programs that already exists—the regular SBIC program and the Rural Business Investment, RBIC, program at the U.S. Department of Agriculture, USDA. Of the 2,299 U.S. small businesses that received SBIC financing in fiscal year 2005, 23 percent were located in Low- and Moderate-Income (LMI) areas of the country. Those LMI-district companies received $543 million or 19 percent of the total $2.9 billion invested by SBICs in FY 2005. Also, 30 percent of SBIC investments were made in small U.S. manufacturers. For the period FY 2001 through FY 2005, SBIC investments in small manufacturing companies totaled $4.3 billion. In addition, the USDA runs the RBIC program in cooperation with the SBA to promote equity investments in rural areas. Thus, I see no need expand a program to help small businesses that are already being assisted by two other government programs.

Third, I object to reinstating taxpayer funding for the surety bond program. This program is important to help small businesses, primarily small construction firms, win federal government contracts by offering a bond to guarantee that the work will be completed. To cover the costs of those guarantees, fees are paid to the SBA by both the contractor receiving the guarantee and the surety or insurance company that issues the bond for the contractor's performance. In fiscal year 2006, the SBA provided guarantees under the surety bond program for about 5,000 small businesses and collected about $7 million in fees. Section 405 of H.R. 3567 eliminates fees that are currently charged to contractors and sureties. That's why the CBO estimates Section 405 will cost the taxpayer over the next 5 years.

Mr. Chairman, there is no need to do this. During my tenure as chairman of the Small Business Committee, I never heard from a small business complaining about fees charged in the surety bond program. This could develop into a problem for the Federal Government when small businesses, which have no financial stake in their surety bond and thus have nothing at risk if they default, do not complete the contract. I predict that there will be more broken contracts and uncompleted work. Section 405 also sets a precedent to do away with the ''zero'' subsidy policy in other SBA programs, such as in the 7(a) loan guarantee program.

But the most egregious provision in H.R. 3567 is the revamping of small business size standards in Title V. This provision allows companies not independently-owned and operated but controlled by venture capital, VC, investors to still be considered as a small business in the eyes of the Federal Government. Title V will allow large businesses and universities that establish a VC to potentially game the system to benefit from not just various SBA technology programs but every other SBA loan and procurement assistance program. It could even complicate the Regulatory Flexibility Act, which requires Federal agencies to take into account the interests of small businesses during the development of new regulations. When I was chairman of the Small Business Committee, I was proud of the bipartisan support I received in eliminating big businesses from participating in various federal small business programs. This led the SBA to finally clamp down on this abuse and issue new regulations and policies to do away with this practice. However, I fear that many of my colleagues have not fully thought through the implications of this provision. Title V would undo all the bipartisan work done on this issue over the past five years.

In particular, I spent a lot of time and effort trying to solve the specific problem of the eligibility of some small businesses with venture capital investments to participate in the Small Business Innovative Research, SBIR, program at the National Institutes of Health, NIH. The SBIR program guarantees that at least 2.5 percent of Federal research and development, R&D, dollars must go to small businesses. After the Defense Department, the NIH is the second-largest spender of R&D funding in the Federal Government.

Title V tries to solve a problem that is grossly exaggerated. It is a myth that small businesses with VC investments are unable to participate in the SBIR program at NIH because of a misinterpretation of the law by the SBA. In an impartial Government Accountability Office, GAO, study that I requested, they discovered that 17 percent of NIH SBIR awards, accounting for 18 percent of the dollar value, went to small business with VC investments in fiscal year 2004. These small firms had no problem in complying with SBA guidelines. Nevertheless, I tried to proffer a compromise that would have established a 2-year pilot program to set-aside 0.5 percent of NIH R&D funding, over-and-above the 2.5 percent currently set-aside for small businesses, for these firms that receive a preponderance of their funding from VCs and do not own or control their company. Unfortunately, my compromise was rejected by NIH and by the biotech and VC industries. However, the solution contained in Title V is a dramatic overreach in the effort to solve this specific problem with NIH.

The amendment offered by my good friend and colleague, Representative STEVE CHABOT of Ohio, is a good step forward. It prohibits any one single VC from owning a small business that wishes to benefit from a SBA program. However, I can easily envision a situation where two VCs with common ownership but with different board of directors could game the system and still be eligible for SBA programs. Because even the largest VCs have less than 500 employees, Title V—even as changed by the Chabot amendment—would open up SBA programs to large businesses and universities.

In particular, I am concerned about the future of the SBIR program. It's important to remember that when the SBIR program was created 25 years ago, it was because of the frustration that federal research and development dollars went only to large businesses and universities. Even under current law, only 2.5 percent of all Federal R&D dollars is set-aside for small business. But Title V allows large universities that establish a VC to participate in the SBIR program. This provision will further decrease Federal R&D dollars going to independently owned and operated small high technology firms.

Mr. Chairman, I enclose for the record the Statement of Administration Policy in opposition to this bill plus two letters from the oldest small business association in America—the National Small Business Association; a letter from the nation's only association that represents small high technology firms—the Small Business Technology Council; and a letter from the world's largest business federation—the U.S. Chamber of Commerce. I urge my colleagues to heed the recommendations of the administration and these business associations by voting against H.R. 3567.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
*Washington, DC, September 26, 2007.*

STATEMENT OF ADMINISTRATION POLICY
H.R. 3567—SMALL BUSINESS INVESTMENT EXPANSION ACT OF 2007

The Administration strongly opposes House passage of H.R. 3567.

The Administration strongly opposes the proposed ''Angel Investor'' program. The Administration does not support providing capital to high net worth individuals to support their investments. The best way to strengthen small business is through an economic framework that encourages investment at all levels through broad-based and reasonable tax rates and reduced regulatory impediments to the flow of capital. This approach will have a more significant impact than any targeted program.

The Administration also strongly opposes the proposed change to the definition of a small business for the purposes of venture capital investment. This redefinition strips the elements of independent ownership and control that identify small business ownership under current law. Not only would this change be inequitable for actual small businesses, but it would be a step backward from our recent progress in addressing the misidentification of large firms as small businesses for Federal procurement purposes. By eliminating the concept of affiliation for venture capital operating companies, the provision would allow large businesses, not-for-profit organizations, and colleges and universities to own and control small businesses and benefit from programs designed for independent small businesses. The Administration believes that the intent of this provision is to allow for reasonable, non-controlling investment in small business. Unfortunately, the current language is overly broad, and the Administration strongly opposes this provision unless it is amended to ensure that ownership and control rests positively with the entrepreneur.

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NATIONAL SMALL BUSINESS ASSOCIATION,
*Washington, DC, September 25, 2007.*

Hon. DONALD A. MANZULLO,
*House of Representatives,*
*Washington, DC.*

DEAR REPRESENTATIVE MANZULLO: The U.S. House of Representatives soon will consider H.R. 3567, the Small Business Investment Expansion Act of 2007. While supportive of most sections of H.R. 3567—believing that they provide necessary and overdue improvements to three of the Small Business Administration's investment programs—and its aim of helping small businesses acquire needed capital, the National Small Business Association (NSBA) cannot support the bill in its current form.

Reaching 150,000 small-businesses across the nation, NSBA—the country's oldest small-business advocacy organization—is a member-driven association that advocates for the best interests of the overall small-business community. Convinced that Title V of the bill will gut over half a century of laws that define a small business, NSBA urges Congress to remove Title V from the measure or defeat the entire bill.

Since the Small Business Act was passed in 1953, a small business has been defined as one that is: (1) independently owned and operated, (2) not dominant in its field, and (3) for-profit. This definition not only has controlled which companies can access federal small-business programs, it also has defined which firms are small for purposes of federal regulatory compliance across a vast areas of banking, securities, environmental, pension, and worker-safety laws.

Title V of H.R. 3567 would effectively repeal these provisions, creating a new class of business conglomerates that would be defined as small businesses despite meeting none of the existing statutory requirements.

1. The ''independently owned and operated'' statutory test? Gone.

Title V of H.R 3567 would prohibit the SBA from classifying any venture capital (VC) company as a large business as long as the VC firm had fewer than 500 employees—no matter how many ''small'' businesses the VC firm controlled. It is important to note that virtually no VC firm in the country has more than 500 employees.

Under Title V of H.R. 3567, a VC firm could create a conglomerate controlling 1000 small companies, employing 100,000 people, and generating billions in revenue, and the SBA and other federal agencies would be forced to treat each company in the conglomerate as a small business as long as it had fewer than 500 employees. Banking regulators, securities regulators, environmental regulators, and all other kinds of federal regulators that base their definition of ''small'' on Section 3 of the Small Business Act would be prohibited from considering the overall number of employees or revenue of the VC firm.

2. The ''not dominant in its field'' statutory test? Gone.

The VC conglomerates could include, for example, nearly every company capable of bidding on a government contract that had been set aside for small business. Yet the SBA and other federal contracting agencies would be forced to classify the companies in the conglomerate as ''small.'' Conceivably, the VC conglomerates also could own every single company producing a specific product, service or technology, and the federal government still could be forced to classify each of these companies as ''small'' businesses. This is an especially galling notion in the wake of years of controversy over large companies receiving government contracts intended for small businesses.

3. The ''for profit'' statutory test? Gone.

Title V of H.R. 3567 would allow universities to control unlimited numbers of small companies and still classify all such businesses as ''small.'' Yet the true owners would be non-profit universities, many of them with endowments worth hundreds of millions of dollars or more. Such a scenario would hardly help level the playing field for the majority of small businesses.

Supporters of Title V of H.R. 3567 contend that the bill prevents big businesses from controlling these venture capital firms. This mayor may not be true. It does not matter. The bill encourages the venture capital firms themselves to become big businesses—and then to claim to be small. Acting together, these conglomerates could put truly independent companies at competitive disadvantages in nearly every situation that mattered.

If Title V of H.R. 3567 passes, everything in federal law that is premised upon section 3 of the Small Business Act—including dozens of laws and hundreds of court cases—will be called into question. Thousands of pages of federal regulations will be rendered moot. Utilizing this legal vacuum, the new VC conglomerates would be empowered to abuse all manner of government regulations and programs by claiming to be small businesses.

In sum, this legislation violates a fundamental trust. It would eviscerate the very concept of a small business as Congress and the American people understand it. There would be no limits on the capital, the labor, and the financial resources that the VC conglomerates could control and still be treated as ''small businesses.'' Every law that Congress has enacted over the past half century to aid small businesses would become little more than a ''speed bump'' as a new category of big businesses raced in to seize the protections and advantages intended for small businesses.

NSBA urges Congress to strike Title V from H.R. 3567 or to defeat the bill entirely. If Title V is struck, NSBA will be pleased to support the measure.

Sincerely,

TODD O. MCCRACKEN,
*President.*

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NATIONAL SMALL
BUSINESS ASSOCIATION,
*Washington, DC, September 27, 2007.*

Hon. DONALD A. MANZULLO,
*House of Representatives,*
*Washington, DC.*

DEAR REPRESENTATIVE MANZULLO: Today, the U.S. House of Representatives is scheduled to consider H.R 3567, the Small Business Investment Expansion Act of 2007. Convinced that it will divert money Congress intended for actual small businesses to large companies masquerading as small businesses, the National Small Business Association (NSBA) strongly urges Congress to strike Title V from the bill or defeat it. The well-intentioned amendment to be offered by Rep. Steve Chabot also does not resolve the underlying problems in Title V.

Reaching 150,000 small-businesses across the nation, NSBA is a member-driven association that advocates for the best interests of the overall small-business community. NSBA is not alone in its opposition. In fact, no small-business organization has publicly supported Title V. It is strongly supported by the venture-capital and biotechnology community, however—but isn't this supposed to be a small-business bill?

The Small Business Technology Council, a nonpartisan group that represents small technology firms, also strongly opposes Title V. In fact, in today's LA Times, its executive director, Jere Glover, the former chief counsel for the SBA Office of Advocacy in the Clinton administration, called it ''the worst piece of small business legislation I've seen in 25 years.''

The Statement of Administration Policy issued from OMB states, ''By eliminating the concept of affiliation for venture capital operating companies, the provision would allow large businesses, not-for-profit organizations, and colleges and universities to own and control small businesses and benefit from programs designed for independent small businesses.''

Title V of H.R. 3567 would prohibit the SBA from classifying any venture capital (VC) company as a large business as long as the VC firm had fewer than 500 employees—no matter how many ''small'' businesses the VC firm controlled. It is important to note that virtually no VC firm in the country has more than 500 employees.

Under Title V of H.R. 3567, a VC firm could create a conglomerate controlling 1000 small companies, employing 100,000 people, and generating billions in revenue, and the SBA and other federal agencies would be forced to treat each company in the conglomerate as a small business as long as it had fewer than 500 employees.

Are these the sorts of ''small businesses'' Congress had in mind when it passed the Small Business Act in 1953? Are they the kind of ''small businesses'' that need government investment?

NSBA urges Congress to strike—not amend—Title V of H.R. 3567 or to defeat the bill. If Title V is struck, NSBA will be pleased to support the measure.

Sincerely,

TODD O. MCCRACKEN,
*President.*

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SEPTEMBER 25, 2007.

Hon. DONALD A. MANZULLO,
*House of Representatives,*
*Washington, DC.*

DEAR REPRESENTATIVE MANZULLO: On behalf of the Small Business Technology Council, the nation's largest nonprofit organization of small, technology-based companies in diverse fields, I urge you oppose Title 5 of H.R. 3567, and to vote against H.R. 3567 if that Title is included in the bill when it comes to a vote on the House floor soon.

Title 5 of H.R. 3567 would encourage abuse of federal government programs and protections intended for small business.

H.R. 3567 would establish a new class of business holding companies operated by groups of investors. These holding companies (or conglomerates) would be incentivized to acquire huge portfolios of small firms.

The key incentive: the federal government would have to treat these holding companies as small businesses, no matter how many businesses, employees, capital and resources they controlled. All the holding companies would have to do is have fewer than 500 employees themselves and keep each of the acquired companies below 500 employees. There would be no limit on the total number of companies and employees that the holding companies could control.

Proponents of this sweeping—and largely unexamined—change frequently state that certain SBA programs are unavailable to small firms that have venture capital backing. That is untrue.

SBA's only requirement for calling a business ''small'' is that it meet certain size standards—generally, a cap of 500 employees. But SBA counts firms that are controlled by other firms as one firm. That's what this bill would end. And once that ends, large companies could demand access to small business programs and small business regulatory treatment.

Today, large VC's and other investment companies (with more than 500 employees, including affiliates and subsidiaries) can control up to 49% of a firm that SBA classifies as ''small.'' Small investment companies and VC's (with fewer than 500 employees, including affiliates and subsidiaries), can control up to 100%.

So, despite what you may have heard, the problem is not that firms with VC backing are ''kept out'' of SBA programs. They aren't.

The real problem, from the point of view of some investment companies, is that large companies cannot masquerade as small companies for purposes of obtaining federal small business benefits.

Big business trying to access small business programs is not a new issue. It goes back decades. (Just recently, Congress has criticized SBA for letting large companies obtain federal procurement contracts intended for small companies.)

This Congress should handle the small business/big business issue with integrity, just as other Congresses have.

The only difference between H.R. 3567 and countless past efforts by big businesses to slip into small business programs is that this bill would encourage investment companies *themselves* to become big businesses, while prohibiting them from being ''controlled'' by *other* big businesses. That's certainly a twist

on the usual approach, but it ends up in the same place—with big companies pretending to be small in order to take advantage of federal benefits intended for small business.

Moreover, the term ''control by a large business'' (as it applies to these holding companies) is not defined in the bill, so even that modest difference from past attacks by large business may not amount to anything.

The worst feature of Title 5 is that it totally undermines federal efforts to lower unnecessary the regulatory burdens on small businesses. The holding companies incentivized by H.R. 3567 would begin demanding to be treated as small businesses for purposes of federal regulations, even though they are—in commonsense reality—large companies. Since many of these regulations are based on SBA's definition of what a small business is—the very definition that the holding companies propose to exempt themselves from—they would presumably have to be treated as ''small'' for purposes of these regulations—in such areas as environmental regulations, pension regulations, securities regulations, and the like. This would wreck decades of careful work by Congress and federal agencies to protect small companies. It would also cast doubt on many laws and court cases that are based on the SBA definition of small business.

SBTC therefore strongiy urges Congress to strike Title 5 from H.R. 3567. With Title 5 removed, we will support the bill. With Title 5 largely or totally intact, we will strongly oppose the bill in total.

Regards,

JERE W. GLOVER,
*Executive Director,*
*Small Business Technology Council.*

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CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
*Washington, DC, September 27, 2007.*

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES: The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, has serious concerns with Title V of H.R. 3567, the ''Small Business Investment Expansion Act of 2007,'' which is expected to be considered by the House today.

Title V of H.R. 3567, if passed into law, would allow changes to the longstanding definition of small business that would permit larger business concerns to effectively control and dominate small business enterprises while at the same time allowing them to participate in small business programs. This fundamental change could undermine the public policy objectives of all of the small business resources and programs authorized by Congress to foster innovation, growth, and help to level the playing field for small businesses within the marketplace.

Title V of H.R. 3567 would allow venture capital conglomerates, colleges, and universities to have effective control and ownership of an unlimited number of small businesses while still falling under the definition of small business for the purposes of using government resources and programs meant for traditionally defined small businesses. These new enterprises would not be subject to the affiliation rules as they now apply to all existing business concerns. As a longstanding advocate for small business, the Chamber opposes creating a loophole in the law that allows the unfettered growth of a conglomerate business enterprise that will not be restricted by existing size-standards as determined by affiliation rules and still be able to avail themselves of services, resources, and programs that have been dedicated to traditional small businesses.

For these reasons, the Chamber opposes Title V of H.R. 3567. The Chamber looks forward to working with Congress to address these important concerns.

Sincerely,

R. BRUCE JOSTEN,
*Executive Vice President,*
*Government Affairs.*

Ms. VELÁQUEZ. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered read for amendment under the 5-minute rule.

The text of the bill is as follows:

H.R. 3567

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Small Business Investment Expansion Act of 2007''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:



## TITLE I—SMALL BUSINESS INVESTMENT COMPANY PROGRAM

**SEC. 101. SIMPLIFIED MAXIMUM LEVERAGE LIMITS.**

Section 303(b) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)) is amended—

(1) by amending paragraph (2) to read as follows:

''(2) MAXIMUM LEVERAGE.—

''(A) IN GENERAL.—The maximum amount of outstanding leverage made available to any one company licensed under section 301(c) of this Act may not exceed the lesser of—

''(i) 300 percent of such company's private capital; or

''(ii) $150,000,000.

''(B) MULTIPLE LICENSES UNDER COMMON CONTROL.—The maximum amount of outstanding leverage made available to two or more companies licensed under section 301(c) of this Act that are commonly controlled (as determined by the Administrator) and not under capital impairment may not exceed $225,000,000.''; and

(2) by striking paragraph (4).

**SEC. 102. INCREASED INVESTMENTS IN WOMEN-OWNED AND SOCIALLY DISADVANTAGED SMALL BUSINESSES.**

Section 303(b)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)(2)), as amended by section 101, is further amended by adding at the end the following:

''(C) INCREASED INVESTMENTS IN WOMEN-OWNED AND SOCIALLY DISADVANTAGED SMALL BUSINESSES.—The limits provided in subparagraphs (A)(ii) and (B) shall be $175,000,000 and $250,000,000, respectively, for any company that certifies in writing that not less than 50 percent of the company's aggregate dollar amount of investments will be made in small businesses that prior to the investment are—

''(i) majority owned by one or more—

''(I) socially or economically disadvantaged individuals (as defined by Administrator);

''(II) veterans of the Armed Forces; or

''(III) current or former members of the National Guard or Reserve; or

''(ii) located in a low-income geographic area (as defined in section 351).''.

**SEC. 103. INCREASED INVESTMENTS IN SMALLER ENTERPRISES.**

Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683) is amended by striking subsection (d) and inserting the following:

''(d) INCREASED INVESTMENTS IN SMALLER ENTERPRISES.—The Administrator shall require each licensee, as a condition of an application for leverage, to certify in writing that not less than 25 percent of the licensee's aggregate dollar amount of financings will be provide to smaller enterprises (as defined in section 103(12)).''.

**SEC. 104. SIMPLIFIED AGGREGATE INVESTMENT LIMITATIONS.**

Section 306(a) of the Small Business Investment Act of 1958 (15 U.S.C. 686(a)) is amended to read as follows:

''(a) If any small business investment company has obtained financing from the Administration and such financing remains outstanding, the aggregate amount of securities acquired and for which commitments may be issued by such company under the provisions of this title for any single enterprise shall not, without the approval of the Administration, exceed 10 percent of the sum of—

''(1) the private capital of such company; and

''(2) the total amount of leverage projected by the company in the company's business plan that was approved by the Administration at the time of the grant of the company's license.''.

## TITLE II—NEW MARKETS VENTURE CAPITAL PROGRAM

**SEC. 201. EXPANSION OF NEW MARKETS VENTURE CAPITAL PROGRAM.**

(a) ADMINISTRATION PARTICIPATION REQUIRED.—Section 353 of the Small Business

Investment Act of 1958 (15 U.S.C. 689b) is amended by striking ''under which the Administrator may'' and inserting ''under which the Administrator shall''.

(b) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Administrator of the Small Business Administration shall submit to Congress a report evaluating the success of the expansion of the New Markets Venture Capital Program under this section.

**SEC. 202. IMPROVED NATIONWIDE DISTRIBUTION.**

Section 354 of the Small Business Investment Act of 1958 (15 U.S.C. 689c) is amended by adding at the end the following:

''(f) GEOGRAPHIC EXPANSION.—From among companies submitting applications under subsection (b), the Administrator shall consider the selection criteria and nationwide distribution under subsection (c) and shall, to the maximum extent practicable, approve at least one company from each geographic region of the Small Business Administration.''.

**SEC. 203. INCREASED INVESTMENT IN SMALL MANUFACTURERS.**

Section 354(d)(1) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(d)(1)) is amended—

(1) by striking ''Each'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), each''; and

(2) by adding at the end the following:

''(B) SMALL MANUFACTURER INVESTMENT CAPITAL REQUIREMENTS.—Each conditionally approved company engaged primarily in development of and investment in small manufacturers shall raise not less than $3,000,000 of private capital or binding capital commitments from one or more investors (other than agencies or departments of the Federal Government) who meet criteria established by the Administrator.''.

**SEC. 204. UPDATING DEFINITION OF LOW-INCOME GEOGRAPHIC AREA.**

Section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689) is amended—

(1) by striking paragraphs (2) and (3);

(2) by inserting after paragraph (1) the following:

''(2) LOW-INCOME GEOGRAPHIC AREA.—The term 'low-income geographic area' has the same meaning given the term 'low-income community' in section 45D(e) of the Internal Revenue Code of 1986 (26 U.S.C. 45D(e)).''; and

(3) by redesignating paragraphs (4) through (8) as (3) through (7), respectively.

**SEC. 205. STUDY ON AVAILABILITY OF EQUITY CAPITAL.**

(a) STUDY REQUIRED.—Before the expiration of the 180-day period that begins on the date of the enactment of this Act, the Chief Counsel for Advocacy of the Small Business Administration shall conduct a study on the availability of equity capital in low-income urban and rural areas.

(b) REPORT.—Not later than 90 days after the completion of the study under subsection (a) the Administrator of the Small Business Administration shall submit to Congress a report containing the findings of the study required under subsection (a) and any recommendations of the Administrator based on such study.

**SEC. 206. EXPANDING OPERATIONAL ASSISTANCE TO CONDITIONALLY APPROVED COMPANIES.**

(a) OPERATIONAL ASSISTANCE GRANTS TO CONDITIONALLY APPROVED COMPANIES.—Section 358(a) of the Small Business Investment Act of 1958 (15 U.S.C. 689(a)) is amended by adding at the end the following new paragraph:

''(6) GRANTS TO CONDITIONALLY APPROVED COMPANIES.—

''(A) IN GENERAL.—Subject to subparagraphs (A) and (B), upon the request of a company conditionally-approved under section 354(c), the Administrator shall make a grant to the company under this subsection.

''(B) REPAYMENT BY COMPANIES NOT APPROVED.—If a company receives a grant under paragraph (6) and does not enter into a participation agreement for final approval, the company shall repay the amount of the grant to the Administrator.

''(C) DEDUCTION FROM GRANT TO APPROVED COMPANY.—If a company receives a grant under paragraph (6) and receives final approval under section 354(e), the Administrator shall deduct the amount of the grant under that paragraph from the total grant amount that the company receives for operational assistance.

''(D) AMOUNT OF GRANT.—No company may receive a grant of more than $50,000 under this paragraph.''.

(b) LIMITATION ON TIME FOR FINAL APPROVAL.—Section 354(d) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(d)) is amended in the matter preceding paragraph (1) by striking ''a period of time, not to exceed 2 years,'' and inserting ''2 years''.

**SEC. 207. STREAMLINED APPLICATION FOR NEW MARKETS VENTURE CAPITAL PROGRAM.**

Not later than 60 days after the date of the enactment of this section, the Administrator of the Small Business Administration shall prescribe standard documents for final New Markets Venture Capital Company approval application under section 354(e) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(e)). The Administrator shall assure that the standard documents shall be designed to substantially reduce the cost burden of the application process on the companies involved.

**SEC. 208. ELIMINATION OF MATCHING REQUIREMENT.**

Section 354(d)(2)(A)(i) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(d)(2)(A)(i)) is amended—

(1) in subclause (I) by adding ''and'' at the end;

(2) in subclause (II) by striking ''and'' at the end; and

(3) by striking subclause (III).

**SEC. 209. SIMPLIFIED FORMULA FOR OPERATIONAL ASSISTANCE GRANTS.**

Section 358(a)(4)(A) of the Small Business Investment Act of 1958 (15 U.S.C. 689g(a)(4)(A)) is amended—

(1) by striking ''shall be equal to'' and all that follows through the period at the end and by inserting ''shall be equal to the lesser of—''; and

(2) by adding at the end the following:

''(i) 10 percent of the resources (in cash or in kind) raised by the company under section 354(d)(2); or

''(ii) $1,000,000.''.

**SEC. 210. AUTHORIZATION OF APPROPRIATIONS AND DEDICATION TO SMALL MANUFACTURING.**

Section 368(a) of the Small Business Investment Act of 1958 (15 U.S.C. 689q(a)) is amended—

(1) by striking ''fiscal years 2001 through 2006'' and inserting ''fiscal years 2008 through 2010'';

(2) in paragraph (1)—

(A) by striking ''$150,000,000'' and inserting ''$30,000,000''; and

(B) by inserting before the period at the end the following: '', of which not less than one-quarter shall be used to guarantee debentures of companies engaged primarily in development of and investment in small manufacturers''; and

(3) in paragraph (2)—

(A) by striking ''$30,000,000'' and inserting ''$5,000,000''; and

(B) by inserting before the period at the end the following: '', of which not less than one-quarter shall be used to make grants to companies engaged primarily in development of and investment in small manufacturers''.

## TITLE III—ANGEL INVESTMENT PROGRAM

**SEC. 301. ESTABLISHMENT OF ANGEL INVESTMENT PROGRAM.**

(a) ESTABLISHMENT.—Title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.) is amended by adding at the end the following new part:

### ''PART C—ANGEL INVESTMENT PROGRAM

**''SEC. 380. OFFICE OF ANGEL INVESTMENT.**

''(a) ESTABLISHMENT.—There is established, in the Investment Division of the Small Business Administration, the Office of Angel Investment.

''(b) DIRECTOR.—The head of the Office of Angel Investment is the Director of Angel Investment.

''(c) DUTIES.—Subject to the direction of the Secretary, the Director shall perform the following functions:

''(1) Provide support for the development of angel investment opportunities for small business concerns.

''(2) Administer the Angel Investment Program under section 382 of this Act.

''(3) Administer the Federal Angel Network under section 383 of this Act.

''(4) Administer the grant program for the development of angel groups under section 384 of this Act.

''(5) Perform such other duties consistent with this section as the Administrator shall prescribe.

**''SEC. 381. DEFINITIONS.**

''In this part:

''(1) The term 'angel group' means 10 or more angel investors organized for the purpose of making investments in local or regional small business concerns that—

''(A) consists primarily of angel investors;

''(B) requires angel investors to be accredited investors; and

''(C) actively involves the angel investors in evaluating and making decisions about making investments.

''(2) The term 'angel investor' means an individual who—

''(A) qualifies as an accredited investor (as that term is defined under Rule 501 of Regulation D of the Securities and Exchange Commission (17 C.F.R. 230.501));

''(B) provides capital to or makes investments in a small business concern.

''(3) The term 'small business concern owned and controlled by veterans' has the meaning given that term under section 3(q)(3) of the Small Business Act (15 U.S.C. 632(q)(3)).

''(4) The term 'small business concern owned and controlled by women' has the meaning given that term under section 8(d)(3)(D) of such Act (15 U.S.C. 637(d)(3)(D)).

''(5) The term 'socially and economically disadvantaged small business concern' has the meaning given that term under section 8(a)(4)(A) of such Act (15 U.S.C. 637(a)(4)(A)).

**''SEC. 382. ANGEL INVESTMENT PROGRAM.**

''(a) IN GENERAL.—The Director of Angel Investment shall establish and carry out a program, to be known as the Angel Investment Program, to provide financing to approved angel groups for the purpose of providing venture capital investment in small businesses in their communities.

''(b) ELIGIBILITY.—To be eligible to receive financing under this section, an angel group shall—

''(1) have demonstrated experience making investments in local or regional small business concerns;

''(2) have established protocols and a due diligence process for determining its investment strategy;

''(3) have an established code of ethics; and

''(4) submit an application to the Director of Angel Investment at such time and containing such information and assurances as the Director may require.

''(c) USE OF FUNDS.—An angel group that receives financing under this section shall use the amounts received to make investments in small business concerns—

''(1) that have been in existence for less than 5 years as of the date on which the investment is made;

''(2) that have fewer than 75 employees as of the date on which the investment is made;

''(3) more than 50 percent of the employees of which perform substantially all of their services in the United States as of the date on which the investment is made; and

''(4) within the geographic area determined by the Director under subsection (e).

''(d) LIMITATION ON AMOUNT.—No angel group receiving financing under this section shall receive more than $2,000,000.

''(e) LIMITATION ON GEOGRAPHIC AREA.—For each angel group receiving financing under this section, the Director shall determine the geographic area in which a small business concern must be located to receive an investment from that angel group.

''(f) PRIORITY IN PROVIDING FINANCING.—In providing financing under this section, the Director shall give priority to angel groups that invest in small business concerns owned and controlled by veterans, small business concerns owned and controlled by women, and socially and economically disadvantaged small business concerns.

''(g) NATIONWIDE DISTRIBUTION OF FINANCING.—In providing financing under this section, the Director shall, to the extent practicable, provide financing to angel groups that are located in a variety of geographic areas.

''(h) MATCHING REQUIREMENT.—As a condition of receiving financing under this section, the Director shall require that for each small business concern in which the angel group receiving such financing invests, the angel group shall invest an amount that is equal to or greater than the amount of financing received under this section from a source other than the Federal Government that is equal to the amount of the financing provided under this section that the angel group invests in that small business concern.

''(i) REPAYMENT OF FINANCING.—As a condition of receiving financing under this section, the Director shall require an angel group to repay the Director for any investment on which the angel group makes a profit an amount equal to the percentage of the returns that is equal to the percentage of the total amount invested by the angel group that consisted of financing received under this section.

''(j) ANGEL INVESTMENT FUND.—

''(1) ESTABLISHMENT.—There is in the Treasury a fund to be known as the Angel Investment Fund.

''(2) DEPOSIT OF CERTAIN AMOUNTS.—Amounts collected under subsection (i) shall be deposited in the fund.

''(3) USE OF DEPOSITS.—Deposits in the fund shall be available for the purpose of providing financing under this section in the amounts specified in annual appropriation laws without regard to fiscal year limitations.

''(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section—

''(1) $10,000,000 for fiscal year 2008;

''(2) $20,000,000 for fiscal year 2009; and

''(3) $20,000,000 for fiscal year 2010.

**''SEC. 383. FEDERAL ANGEL NETWORK.**

''(a) IN GENERAL.—Subject to the succeeding provisions of this subsection, the Director of the Office of Angel Investment shall establish and maintain a searchable database, to be known as the Federal Angel Network, to assist small business concerns in identifying angel investors.

''(b) NETWORK CONTENTS.—The Federal Angel Network shall include—

''(1) a list of the names and addresses of angel groups and angel investors;

''(2) information about the types of investments each angel group or angel investor has made; and

''(3) information about other public and private resources and registries that provide information about angel groups or angel investors.

''(c) COLLECTION OF INFORMATION.—

''(1) IN GENERAL.—The Director shall collect the information to be contained in the Federal Angel Network and shall ensure that such information is updated regularly.

''(2) REQUEST FOR EXCLUSION OF INFORMATION.—The Director shall not include such information concerning an angel investor if that investor contacts the Director to request that such information be excluded from the Network.

''(d) AVAILABILITY.—The Director shall make the Federal Angel Network available on the Internet website of the Administration and shall do so in a manner that permits others to download, distribute, and use the information contained in the Federal Angel Network.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000, to remain available until expended.

**''SEC. 384. GRANT PROGRAM FOR DEVELOPMENT OF ANGEL GROUPS.**

''(a) IN GENERAL.—The Director of the Office of Angel Investment shall establish and carry out a grant program to make grants to eligible entities for the development of new or existing angel groups and to increase awareness and education about angel investing.

''(b) ELIGIBLE ENTITIES.—In this section, the term 'eligible entity' means—

''(1) a State or unit of local government;

''(2) a nonprofit organization;

''(3) a state mutual benefit corporation;

''(4) a Small Business Development Center established pursuant to section 21 of the Small Business Act (15 U.S.C. 648); or

''(5) a women's business center established pursuant to section 29 of the Small Business Act (15 U.S.C. 656).

''(c) MATCHING REQUIREMENT.—The Administrator shall require, as a condition of any grant made under this section, that the eligible entity receiving the grant provide from resources (in cash or in kind), other than those provided by the Administrator or any other Federal source, a matching contribution equal to 50 percent of the amount of the grant.

''(d) APPLICATION.—To receive a grant under this section, an eligible entity shall submit an application that contains—

''(1) a proposal describing how the grant would be used; and

''(2) any other information or assurances as the Director may require.

''(e) REPORT.—Not later than 3 years after the date on which an eligible entity receives a grant under this section, such eligible entity shall submit a report to the Administrator describing the use of grant funds and evaluating the success of the angel group developed using the grant funds.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,500,000, for each of fiscal years 2008 through 2010.''.

## TITLE IV—SURETY BOND PROGRAM

**SEC. 401. STUDY AND REPORT.**

(a) STUDY.—The Administrator of the Small Business Administration shall conduct a study of the current funding structure of the surety bond program carried out under part B (15 U.S.C. 694a et seq.) of title IV of the Small Business Investment Act of 1958. The study shall include—

(1) an assessment of whether the program's current funding framework and program fees are inhibiting the program's growth;

(2) an assessment of whether surety companies and small business concerns could benefit from an alternative funding structure; and

(3) an assessment of whether permissible premium rates for surety companies participating in the program should be placed on parity with the rates authorized by appropriate State insurance regulators and how such a change would affect the program under the current funding framework.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall submit to Congress a report on the results of the study.

**SEC. 402. PREFERRED SURETY BOND PROGRAM.**

(a) PROGRAM REQUIRED.—Part B (15 U.S.C. 694a et seq.) of title IV of the Small Business Investment Act of 1958 is amended by adding at the end the following:

**''SEC. 413. PREFERRED SURETY BOND PROGRAM.**

''(a) PROGRAM REQUIRED.—The Administrator shall carry out a program, to be known as the Preferred Surety Bond Program, under which the Administration, by a written agreement between the surety and the Administration, delegates to the surety complete authority to issue, monitor, and service bonds subject to guaranty from the Administration without obtaining the specific approval of the Administration. Bonds made under the program shall carry a 70 percent guaranty.

''(b) TERM.—The term of a delegation of authority under such an agreement shall not exceed 2 years.

''(c) RENEWAL.—Such an agreement may be renewed one or more times, each such renewal providing one additional term. Before each renewal, the Administrator shall review the surety's bonds, policies, and procedures for compliance with relevant rules and regulations.

''(d) APPLICATION.—The Administrator shall promptly act upon an application from a surety to participate in the program, in accordance with criteria and procedures established in regulations pursuant to section 411(d).

''(e) REDUCTION OR TERMINATION OF PARTICIPATION.—The Administrator is authorized to reduce the allotment of bond guarantee authority or terminate the participation of a surety in the program based on the rate of participation of such surety during the 4 most recent fiscal year quarters compared to the median rate of participation by the other sureties in the program.''.

(b) CONFORMING AMENDMENTS.—Section 411 of the Small Business Investment Act of 1958 (15 U.S.C. 694b) is amended—

(1) in subsection (a), by striking paragraphs (3), (4), and (5);

(2) in subsection (b)(2), by striking ''the authority of subsection (a)(3)'' and inserting ''the authority of section 413'';

(3) in subsection (c)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (4) as (1) through (3), respectively; and

(4) in subsection (g)(3), by striking ''the authority of paragraph (3) of subsection (a)'' and inserting ''the authority of section 413''.

**SEC. 403. DENIAL OF LIABILITY.**

Section 411 of the Small Business Investment Act of 1958 (15 U.S.C. 694b) is amended by adding at the end the following:

''(k) For bonds made or executed with the prior approval of the Administration, the Administration shall not deny liability to a surety based upon information that was provided as part of the guaranty application.''.

**SEC. 404. INCREASING THE BOND THRESHOLD.**

Section 411(a) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(a)) is amended by striking ''$2,000,000'' and inserting ''$3,000,000''.

**SEC. 405. FEES.**

Section 411 of the Small Business Investment Act of 1958 (15 U.S.C. 694b) is amended by adding at the end the following:

''(l) To the extent that amounts are made available to the Administrator for the purpose of fee contributions, the Administrator shall use such funds to offset fees established and assessed under this section. Each fee contribution shall be effective for one fiscal quarter and shall be adjusted as necessary to ensure that amounts made available are fully used.''.

**TITLE V—VENTURE CAPITAL INVESTMENT STANDARDS**

**SEC. 501. DETERMINING WHETHER BUSINESS CONCERN IS INDEPENDENTLY OWNED AND OPERATED.**

Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) is amended by adding at the end the following:

''(5) NON-AFFILIATION OF VENTURE CAPITAL FROM CONSIDERATION OF SMALL BUSINESS CONCERN.—For purposes of determining whether a small business concern is independently owned and operated under paragraph (1) or meets the small business size standards instituted under paragraph (2), the Administrator shall not consider a concern that has received financing from a venture capital operating company to be affiliated with either the venture capital operating company or any other business which the venture capital operating company has financed.

''(6) DEFINITION OF 'INDEPENDENTLY OWNED AND OPERATED'.—For purposes of this section, a business concern shall be deemed to be 'independently owned and operated' if it is owned in majority part by one or more natural persons or venture capital operating companies meeting the definition in paragraph (7).

''(7) DEFINITION OF 'VENTURE CAPITAL OPERATING COMPANY'.—For purposes of this section, the term 'venture capital operating company' means a business concern—

''(A) that—

''(i) is a Venture Capital Operating Company, as that term is defined in regulations promulgated by the Secretary of Labor; or

''(ii) is an entity that—

''(I) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a–51 et seq.);

''(II) is an investment company, as defined in section 3(c)(14) of such Act (15 U.S.C. 80a–3(c)(14)), which is not registered under such Act because it is beneficially owned by less than 100 persons; or

''(III) is a nonprofit organization affiliated with, or serving as a patent and licensing organization for, a university or other institution of higher education and that invests primarily in small business concerns; and

''(B) that is not controlled by any business concern that is not a small business concern within the meaning of section 3; and

''(C) that has fewer than 500 employees; and

''(D) that is itself a business concern incorporated and domiciled in the United States, or is controlled by a business concern that is incorporated and domiciled in the United States.''.

**TITLE VI—REGULATIONS**

**SEC. 601. REGULATIONS.**

Not later than 90 days after the date of the enactment of this Act, the Administrator shall issue revisions to all existing regulations as necessary to ensure their conformity with the amendments made by this Act.

The CHAIRMAN. No amendment to the bill is in order except those printed in House Report 110–350. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent of the amendment, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. CHABOT

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in part A of House Report 110–350.

Mr. CHABOT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. CHABOT.

Strike title V and insert the following:

**TITLE V—VENTURE CAPITAL INVESTMENT STANDARDS**

**SEC. 501. DETERMINING WHETHER BUSINESS CONCERN IS INDEPENDENTLY OWNED AND OPERATED.**

Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) is amended by adding at the end the following:

''(5) NON-AFFILIATION OF VENTURE CAPITAL FROM CONSIDERATION OF SMALL BUSINESS CONCERN.—For purposes of determining whether a small business concern is independently owned and operated under paragraph (1) or meets the small business size standards instituted under paragraph (2), the Administrator shall not consider a business concern to be affiliated with a venture capital operating company (or with any other business that the venture capital operating company has financed) if—

''(A) the venture capital operating company does not own 50 percent or more of the business concern; and

''(B) employees of the venture capital operating company do not constitute a majority of the board of directors of the business concern.

''(6) DEFINITION OF 'INDEPENDENTLY OWNED AND OPERATED'.—For purposes of this section, a business concern shall be deemed to be 'independently owned and operated' if—

''(A) it is owned in majority part by one or more natural persons or venture capital operating companies;

''(B) there is no single venture capital operating company that owns 50 percent or more of the business concern; and

''(C) there is no single venture capital operating company the employees of which constitute a majority of the board of directors of the business concern.

''(7) DEFINITION OF 'VENTURE CAPITAL OPERATING COMPANY'.—For purposes of this section, the term 'venture capital operating company' means a business concern—

''(A) that—

''(i) is a Venture Capital Operating Company, as that term is defined in regulations promulgated by the Secretary of Labor; or

''(ii) is an entity that—

''(I) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a–51 et seq.);

''(II) is an investment company, as defined in section 3(c)(14) of such Act (15 U.S.C. 80a–3(c)(14)), which is not registered under such Act because it is beneficially owned by less than 100 persons; or

''(III) is a nonprofit organization affiliated with, or serving as a patent and licensing organization for, a university or other institution of higher education and that invests primarily in small business concerns; and

''(B) that is not controlled by any business concern that is not a small business concern within the meaning of section 3; and

''(C) that has fewer than 500 employees; and

''(D) that is itself a concern incorporated and domiciled in the United States, or is controlled by a concern that is incorporated and domiciled in the United States.''.

The CHAIRMAN. Pursuant to House Resolution 682, the gentleman from Ohio (Mr. CHABOT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio.

Mr. CHABOT. Thank you, Mr. Chairman. And I won't use the full 5 minutes.

I yield myself such time as I may consume.

As I have already explained when discussing the underlying bill, this amendment adopts a bright-line test for determining whether a business that receives funding from a venture capital company is considered affiliated with that firm and any other firms that the venture capital company may own.

The test is simple and sensible and I think easily applied. In my view, it strikes the correct balance between allowing needed venture capital funding for small businesses, while protecting against the possibility that venture capital firms will be able to create conglomerates that would have an unfair competitive advantage against independently owned and operated small businesses. As the chairwoman already mentioned, so I won't go into great detail, the venture capital company can't have more than 50 percent.

As a result, I believe that this amendment alleviates many of the concerns that the Small Business Administration has, although maybe not all, with title V. I ask that Members support the amendment.

Mr. Chairman, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. VELÁZQUEZ. Mr. Chairman, in developing this legislation, we worked very closely with the ranking member to try and address his concerns with this bill. I understand that he has some remaining concerns with title V of the bill. I am confident, however, that the legislation we have reported includes adequate safeguards.

The ranking member's amendment will provide further protections. I thank him for working with us to perfect this bill. I am willing to accept his amendment, which provides an additional level of clarification and direction for the agency. I appreciate his time and patience in working through this complicated issue with us.

Mr. Chairman, I would yield such time as he may consume to the gentleman from Pennsylvania (Mr. ALTMIRE), the main sponsor of the bill.

Mr. ALTMIRE. I thank the chairwoman and the ranking member. I think the way that we worked together as a committee to resolve this issue is a model for the way this Congress should operate. The ranking member voiced some concerns about the bill and deferred in the process to get it to the floor so he could offer his amendment on the floor.

There are some outside groups, I know, that are concerned about title V. We want to alleviate their concerns on this issue and get the support of the entire small business community on this. Hopefully, with this amendment, that is going to happen.

Mr. Chairman, none of this would have happened without the support of the ranking member and the way that he handled this issue. I really want to thank him for offering this amendment. I think this is going to secure the bill for some of the groups that have concerns. I also accept it and I encourage my colleagues to support the ranking member's amendment.

Mr. CHABOT. Mr. Chairman, I would like to thank the gentleman for his kind remarks and also note that the gentleman also worked in a bipartisan manner with Mr. GRAVES from Missouri in drafting the bill and moving forward in the first place.

As he mentioned, the Small Business Committee, I think, has been a model in many ways for the entire Congress in the way a committee can work together. We have philosophical disagreements at times. We work together, and we are not going to agree on everything, but, in general, we try to work things out for the benefit of the small business community.

There are Republicans, there are Democrats, there are independents that benefit from the small business community thriving in this country. I think we are trying to work altogether to make it a healthier situation. I wish all committees around here were able to do the same thing.

Mr. Chairman, I yield back the balance of my time.

Ms. VELAZQUEZ. Mr. Chairman, I thank the gentleman from Ohio, and I urge adoption of his amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. CHABOT).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. INSLEE

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in part A of House Report 110–350.

Mr. INSLEE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. INSLEE:

Section 206, add at the end the following:

(c) EXPANDED DEFINITION OF OPERATIONAL ASSISTANCE.—Section 351(5) of the Small Business Investment Act of 1958 (15 U.S.C. 689(5)) is amended by inserting before the period at the end the following: '', including assistance on how to implement energy efficiency and sustainable practices that reduce the use of non-renewable resources or minimize environmental impact and reduce overall costs and increase health of employees''.

The CHAIRMAN. Pursuant to House Resolution 682, the gentleman from Washington (Mr. INSLEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Washington.

□ 1730

Mr. INSLEE. Mr. Chairman, I rise today to support the Inslee-Welch amendment to the Small Business Investment Act which will support the legislation's overall goal to modernize small business investment programs. Small businesses are the backbone of the growth in our economy and will be the brains behind the forthcoming clean-energy revolution.

Our amendment will ensure that the small business investment companies give consideration to innovators that create clean energy technologies and services.

There are 26.8 million small businesses in the United States. The vast majority of renewable fuels producers, such as biodiesel and ethanol, are small businesses. The chairwoman understands this, and I thank her for her support and commend her efforts to support small green businesses.

Under the chairwoman's leadership, the House passed a clean energy package that will help small businesses become more energy efficient and will establish a debenture financing program exclusively focused on investments in renewable fuels.

These efforts truly have been outstanding. However, I believe we must ensure that every piece of legislation that passes this Chamber that deals with taxpayer dollars and Federal investment include a provision to encourage investments in truly clean energy technologies. This amendment will help American innovators and entrepreneurs turn their ideas into products that will help prevent our worst-case climate change scenarios and will create green-collar jobs, and I urge its passage.

Mr. Chairman, I yield back the balance of my time.

Mr. CHABOT. Mr. Chairman, I rise to claim the time in opposition, but I am not opposed and we are prepared to accept the gentleman's amendment.

The CHAIRMAN. Without objection, the gentleman from Ohio is recognized for 5 minutes.

There was no objection.

Mr. CHABOT. Thank you. And we are prepared to accept the gentleman's amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. INSLEE).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. INSLEE

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 110–350.

Mr. INSLEE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. INSLEE:

Redesignate section 104 as 105 and insert after section 103 the following:34

**SEC. 104. INCREASED INVESTMENTS IN SMALL BUSINESSES CREATING NEW TECHNOLOGIES, MANUFACTURED GOODS, OR MATERIALS OR PROVIDING SERVICES TO REDUCE CARBON EMISSIONS IN THE UNITED STATES, REDUCE THE USE OF NON-RENEWABLE RESOURCES, MINIMIZE ENVIRONMENTAL IMPACT, AND RELATE PEOPLE WITH THE NATURAL ENVIRONMENT.**

Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683), as amended by this Act, is further amended by adding at the end the following:

''(k) INCREASED INVESTMENTS IN SMALL BUSINESSES.—The Administrator shall give consideration to investments in small businesses that are creating new technologies, manufactured goods, or materials, or providing services to reduce carbon emissions in the United States, reduce the use of non-renewable resources, minimize environmental impact, and relate people with the natural environment.''.

The CHAIRMAN. Pursuant to House Resolution 682, the gentleman from Washington (Mr. INSLEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Washington.

Mr. INSLEE. Mr. Chairman, I rise to offer a second Inslee-Welch amendment that will help small business achieve energy efficiency. We need all hands on deck in the effort to reduce greenhouse gas emissions, including our Nation's 26 million small businesses.

This amendment will help small businesses in low-income areas upgrade to energy-efficient buildings, technologies and practices. It will give them operational assistance in these areas through the New Market Venture Capital program.

The majority of small business owners say that they have been affected by rising energy prices and that reducing energy costs will serve to increase their profitability. At the same time, however, half of these entrepreneurs have not yet invested in energy-efficient programs for their businesses.

For instance, if a small business owner can replace 20 100-watt incandescent bulbs with 27-watt compact fluorescent bulbs, it does cost the owner $400 up front but saves them $980 a year in energy costs.

The owner of the Snoqualmie Gourmet Ice Cream factory in Maltby, WA retrofitted their small business lighting system and reduced their lighting costs by 50 percent. So we know that these simple, new, relatively inexpensive technologies pay for themselves in months, or at most in a couple of years.

We know small businesses benefit from energy efficiency and sustainable workplace practices. This amendment will help American innovators with the know-how to reduce greenhouse gas emissions in America while increasing their profits. This is a green/green solution in both ways. I want to thank the chairwoman for her support, and urge passage of the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. CHABOT. I will claim the time in opposition, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. CHABOT. Mr. Chairman, we have heard the gentleman's amendment and we are prepared to accept the amendment.

Mr. WELCH of Vermont. Mr. Chairman, I want to thank the gentleman from Washington, Mr. INSLEE, for his two very thoughtful amendments to H.R. 3567, the Small Business Investment Expansion Act and for allowing me to cosponsor them.

The first amendment will help small businesses increase their energy efficiency and implement sustainable practices. The second amendment would direct the Small Business Administration, SBA, to reward small businesses that are reducing their carbon footprint.

Earlier this year, I offered an amendment, which the House passed, to set a 5 percent procurement goal for the Federal Government to contract with green small businesses.

It is critical that small businesses be encouraged to operate and to develop and supply products and services in an environmentally sound way.

Many small businesses are already incorporating sustainable practices into their own business, such as conserving energy and water, using sustainable products, or minimizing generation of waste and the release of pollutants. They strive to make products from recycled materials. They use energy from renewable resources such as bio-fuels, solar and wind power. Or they transport goods and services in alternate fuel vehicles.

We all have a responsibility to protect our environment. As populations expand and lifestyles change, we must keep the planet in good condition so that future generations will have the same natural resources that we have and enjoy now. The Earth faces many threats ranging from pollution to acid rain to global warming to the destruction of rainforests and other wild habitats to the decline and extinction of thousands of species of animals and plants. Combating these threats is essential to ensuring that future generations can live healthy lives.

Our small businesses embrace our Nation's entrepreneurial spirit. The Federal Government can and should serve as a model to the private sector and the rest of the world. As a Congress, we should reward businesses that are striving to be environmentally responsible.

Both of these amendments would greatly improve the bill before us and I ask that they be adopted by the House.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. INSLEE).

The amendment was agreed to.

The CHAIRMAN. There being no other amendments, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. CAPUANO) having assumed the chair, Mr. KIND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 3567) to amend the Small Business Investment Act of 1958 to expand opportunities for investments in small businesses, and for other purposes, pursuant to House Resolution 682, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment reported from the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WALBERG

Mr. WALBERG. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. WALBERG. Yes, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Walberg moves to recommit the bill H.R. 3567 to the Committee on Small Business with instructions to report the same back to the House forthwith with the following amendments:

In title III of the bill, in the quoted matter proposing to insert a new part C in title III of the Small Business Investment Act of 1958:

(1) Strike sections 382 and 384, and redesignate section 383 as 382.

(2) In section 380(c), strike paragraphs (2) and (4); strike ''383'' in paragraph (3) and insert ''382''; and redesignate paragraphs (3) and (5) as (2) and (3), respectively.

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 5 minutes.

Mr. WALBERG. Mr. Speaker, in considering tonight's legislation, I am reminded of a quote from the great communicator himself, Ronald Reagan: ''The government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And it if stops moving, subsidize it.''

I find it ironic that we sit here this evening debating a clause to provide millionaires with Federal funding in the name of spurring investment when the majority party constantly supports to tax private investments out of business.

The best way to encourage innovation and investment in the marketplace is to reduce financial and regulatory impediments. The key is reducing regulation. Congress must support tax measures that have proven to stimulate the economy, such as extending the capital gains and dividends tax reduction beyond 2010. These commonsense tax reductions have a proven track record of producing greater wealth and encouraging further investment in the economy.

Instead, the majority in Congress has stood in the way of providing tax relief by supporting and passing a budget containing the largest tax increase in American history, which would result in a $3,000 tax increase for the average taxpayer in Michigan and in every other State. Now the majority wants to subsidize millionaires with funds that would be better used to assist the middle class.

Title III of the bill before us creates a brand new program in the Small Business Administration to promote so-called ''angel investors.'' Angel investors are those financial backers who provide venture capital funds for small startups or entrepreneurs.

Among other things, this new SBA program will provide funds of up to $2 million to qualified angel investors. These millionaire investors will take taxpayer dollars to finance their own small business. This begs the question: Who exactly are these angel investors? Do they have halos? Do they really need government money if they are already millionaires?

According to the regulations referenced in this bill, a qualified angel investor would be ''any natural person whose individual net worth, or joint net worth with that person's spouse exceeds $1 million.''

In other words, to even qualify to receive government money, these angels already have to be millionaires.

According to the University of New Hampshire, angel investments totaled $25.6 billion nationally, up 10 percent over the previous year. I don't know about you, but it appears angel investors already are having financial success, and I question whether they need help from the American taxpayer.

Title III of the bill also includes a new grant program to help develop new angel investor groups; in other words, a taxpayer-subsidized grant program to help millionaires get together and make investments. One can only wonder if these programs come with a complimentary tin of caviar.

My motion to recommit would simply strike the two sections of bill that authorize taxpayer funding for these angel millionaire investors. Congress does not need to enact another Federal

entitlement program to help millionaires decide what to invest in. The focus in this debate should be on lowering taxes for every American to encourage investment and personal wealth to create entrepreneurship and allow job creators to thrive.

Mr. Speaker, I yield back the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I rise to claim the time in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentlewoman from New York is recognized for 5 minutes.

Ms. VELÁZQUEZ. Mr. Speaker, I would like to ask the gentleman from Michigan: What bill did you read? Did you read H.R. 3567? Did you? Because if you read the bill, I want to ask you, show me in this bill where one single penny will go to millionaires? Show me in the bill where that happens?

It goes to small businesses in low-income communities. It goes to veterans. It goes to small businesses. If the goal is to cut access to capital, that is what this motion will do.

One of the primary goals of this program is to put capital in the hands of veterans and entrepreneurs. This amendment will bar entrepreneurs from such funds. It will invest in startups that could become the next Microsoft. They are not there yet. They are small, small businesses.

We always hear how we need to be doing more to encourage investment. This program does exactly that. This is not a new program, it merely fixes an old program that has been badly mismanaged by this administration. The total cost of this program is half of what the other party said when it was in charge. This is a 3-year pilot program, and all funding remains subject to the application. The Federal Government will actually have less risk under the angel investment program than any other current government programs. And when we talk about being stewards of the taxpayers' money, profits from this investment go right back to the taxpayers.

Mr. Speaker, I ask Members to oppose the motion to recommit.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. WALBERG. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—yeas 183, nays 213, not voting 36, as follows:

[Roll No. 922]

YEAS—183

Aderholt
Akin
Alexander
Bachmann
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Hobson
Hulshof
Hunter
Inglis (SC)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
McCarthy (CA)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—213

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Doggett
Donnelly
Edwards
Ellison
Ellsworth
Emanuel
Engel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jefferson
Johnson (GA)
Kagen
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—36

Bachus
Bishop (GA)
Bonner
Brown, Corrine
Carson
Conyers
Cubin
Davis, Jo Ann
Dingell
Doyle
Everett
Hastert
Herger
Hinojosa
Hoekstra
Issa
Jackson-Lee (TX)
Jindal
Johnson, E. B.
Jones (OH)
Kennedy
LaHood
Linder
Lofgren, Zoe
Marchant
McCaul (TX)
Moran (KS)
Moran (VA)
Paul
Perlmutter
Rush
Scott (VA)
Stark
Thompson (MS)
Visclosky
Wilson (NM)

□ 1809

Messrs. CUMMINGS, LOEBSACK, SNYDER, LINCOLN DAVIS of Tennessee, Ms. DELAURO and Ms. WASSERMAN SCHULTZ changed their vote from ''yea'' to ''nay.''

Mr. HASTINGS of Washington and Mr. SOUDER changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. VELÁZQUEZ. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 325, nays 72, not voting 35, as follows:

[Roll No. 923]

YEAS—325

Abercrombie
Ackerman
Akin
Alexander
Allen
Altmire
Andrews
Baca
Baird
Baldwin
Barrow
Bartlett (MD)
Bean
Becerra
Berkley
Berman
Berry
Biggert

Bilbray
Bilirakis
Bishop (NY)
Blumenauer
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyda (KS)
Brady (PA)
Braley (IA)
Brown (SC)
Buchanan
Burgess
Butterfield
Buyer
Camp (MI)
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Castle
Castor
Chabot
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Cole (OK)
Conaway
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, David
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Donnelly
Drake
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Fallin
Farr
Fattah
Ferguson
Filner
Forbes
Fortenberry
Fossella
Frank (MA)
Frelinghuysen
Gerlach
Giffords
Gilchrest
Gillibrand
Gohmert
Gonzalez
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harman
Hastings (FL)
Hastings (WA)
Hayes
Herseth Sandlin
Higgins
Hill
Hinchey
Hirono
Hobson
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jefferson
Johnson (GA)
Johnson (IL)
Jordan
Kagen
Kanjorski
Kaptur
Keller
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Loebsack
Lowey
Lucas
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McHugh
McIntyre
McMorris Rodgers
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Nadler
Napolitano
Neal (MA)
Neugebauer
Nunes
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pearce
Peterson (MN)
Peterson (PA)
Pickering
Platts
Pomeroy
Porter
Price (NC)
Pryce (OH)
Putnam
Rahall
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Richardson
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stupak
Sullivan
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NAYS—72

Aderholt
Bachmann
Baker
Barrett (SC)
Barton (TX)
Bishop (UT)
Blackburn
Blunt
Boehner
Brady (TX)
Broun (GA)
Brown-Waite, Ginny
Burton (IN)
Calvert
Campbell (CA)
Cannon
Cantor
Carter
Coble
Culberson
Davis (KY)
Deal (GA)
Doolittle
Dreier
Duncan
Feeney
Flake
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gingrey
Goode
Heller
Hensarling
Hunter
Inglis (SC)
Johnson, Sam
Jones (NC)
Kingston
Lamborn
Lewis (CA)
Lungren, Daniel E.
Mack
Manzullo
McCrery
McHenry
McKeon
Mica
Miller (FL)
Myrick
Pence
Petri
Pitts
Poe
Price (GA)
Radanovich
Ramstad
Rohrabacher
Royce
Ryan (WI)
Sali
Sensenbrenner
Sessions
Shadegg
Stearns
Tancredo
Thornberry
Walberg
Walden (OR)
Weldon (FL)
Wilson (SC)

NOT VOTING—35

Arcuri
Bachus
Bishop (GA)
Bonner
Boyd (FL)
Brown, Corrine
Carson
Conyers
Cubin
Davis, Jo Ann
Dingell
Doyle
Everett
Hastert
Herger
Hinojosa
Hoekstra
Issa
Jackson-Lee (TX)
Jindal
Johnson, E. B.
Jones (OH)
Kennedy
LaHood
Linder
Lofgren, Zoe
Marchant
McCaul (TX)
Moran (KS)
Moran (VA)
Paul
Perlmutter
Stark
Visclosky
Wilson (NM)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are less than 2 minutes remaining on this vote.

□ 1819

Ms. PRYCE of Ohio and Mr. BURGESS changed their vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## PERSONAL EXPLANATION

Mr. PERLMUTTER. Mr. Speaker, due to a family emergency I missed the following votes on Thursday, September 27, 2007. I would have voted as follows: Taylor Amendment, Allows multiple peril and flood insurance coverage of apartment buildings up to the total of the number of dwelling units times the maximum coverage limit per residential unit—''yes''; Motion to recommit H.R. 3121—''no''; Final Passage of H.R. 3121—Flood Insurance Reform and Modernization Act of 2007—''yes''; Motion to Recommit H.R. 3567—''no''; Final passage H.R. 3567—Small Business Investment Expansion Act of 2007—''yes.''

## PERSONAL EXPLANATION

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, due to a famly health emergency, I was unable to be present for rollcall votes 891–923 on Monday, September 24 through Thursday, September 27, 2007. Had I been present, I would have voted in the following manner: ''yea'' on rollcall votes 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 911, 913, 915, 916, 917, 918, 919, 921, and 923; ''nay'' on rollcall votes 910, 912, 914, 920, and 922.

## AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3567, SMALL BUSINESS INVESTMENT EXPANSION ACT OF 2007

Ms. VELÁZQUEZ. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical corrections in the engrossment of H.R. 3567, to include corrections in spelling, punctuation, section numbering and cross-referencing, and the insertion of appropriate headings.

The SPEAKER pro tempore (Mr. MCINTYRE). Is there objection to the request of the gentlewoman from New York?

There was no objection.

## REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 946

Mrs. MALONEY of New York. Mr. Speaker, I ask unanimous consent to remove Representative EMANUEL CLEAVER as a cosponsor of H.R. 946, the Consumer Overdraft Protection Fair Practices Act. He was added to the bill in error.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

## LEGISLATIVE PROGRAM

(Mr. BLUNT asked and was given permission to address the House for 1 minute.)

Mr. BLUNT. Mr. Speaker, I yield to the representative of the majority leader, the gentlelady from Florida (Ms. WASSERMAN SCHULTZ), for the purpose of inquiring about next week's schedule.

Ms. WASSERMAN SCHULTZ. Mr. Speaker, on Monday the House will meet at 12:30 p.m. for morning-hour business and 2 p.m. for legislative business, with votes rolled until 6:30 p.m.

We will consider several bills under suspension of the rules. A list of these bills will be announced by the close of business tomorrow.

On Tuesday, the House will meet at 9 a.m. for morning-hour business and 10 a.m. for legislative business.

On Wednesday and Thursday the House will meet at 10 a.m. for legislative business.

On Friday there will be no votes in the House.

We expect to consider H.R. 2470, legislation dealing with contractors who commit crimes overseas; H.R. 928, the Improving Government Accountability Act; and a bill to provide tax relief for mortgage debt forgiveness in the event of foreclosures.

Mr. BLUNT. I thank you for that information. It does look like to me that the schedule for next week is incredibly light for 3 days of work. Last week, when Mr. HOYER and I were talking about the problems of bringing the SCHIP bill to the floor without a conference, without any real opportunity for those of us on this side to see the bill, he said last week one of the reasons for that was the Senate was not able to go to conference. And I'm hoping on the four bills that the Senate has already passed, and we could go to conference on, that we see some action on those bills.

I think, particularly, the bill where the new benefits for military families and veterans that could be available as early as next Tuesday, October 1, aren't going to be available because we're not naming conferees. And I wonder if my friend has any sense of when we might be able to have one of those bills, or any appropriation bill, on the House floor now that the fiscal year is essentially, this is the last legislative working day in the fiscal year.

Four bills have been ready, one of them, the military quality of life and veterans bill, for some time now, with no apparent interest in going to conference and getting that bill done. And I know we notified the majority before that I'd be asking that question, and so I'm wondering if you have any sense of when any or all of those bills might actually be scheduled, particularly looking at the incredibly light workweek scheduled for next week.

And I yield to my friend.

Ms. WASSERMAN SCHULTZ. Thank you very much. I thank the gentleman for yielding.

The gentleman will note that we did a lot of incredibly good work this week, passing the SCHIP bill, the Children's Health Insurance bill, passing the flood insurance bill off the floor this afternoon, passing the CR just yesterday. So there has been an incredible amount of good work done this week. And as far as the bills that you referenced, we will be planning to conference with the Senate as soon as they signify that they are ready to do that, and will be working diligently with them to bring those bills to the floor when the conference is complete and ready.

Mr. BLUNT. If I could reclaim my time here, I'd just point out that the Senate actually has requested not only a conference, but named conferees on all four of those bills. And I'd yield to you for anything you want to say about that. I mean, they're ready to go to conference, and I'm just asking why we're not so we can get some of this work done. And I'd yield.

Ms. WASSERMAN SCHULTZ. I'd be happy to answer the gentleman's question. We are reviewing all of those bills and want to make sure that, obviously, the House is on equal footing with the Senate. And when we are ready to go to conference, we will certainly join them and make sure those bills are brought to the floor in as timely a fashion as possible.

Mr. BLUNT. Well, before we go to one other topic, I'd just say that for bills where we could have started, particularly for military families, the quality of life issues there and for veterans, I think it's a shame that we're not starting those on Tuesday, when they could have started.

The other thing that just happened, the President just sent the Peru Free Trade Agreement to the House. The Ways and Means Committee held its markup on the Peru Free Trade Agreement this week, and I've read, at least, that there's an intention, before we go to that trade agreement, to go to a trade adjustment bill that has not yet been written. That trade adjustment bill, when it has passed in the past, has passed with trade promotion authority. With no new trade promotion authority, there's less reason than there might have otherwise been for new trade adjustment authority. And more importantly, it seems, we might run the risk here of slowing the Peru agreement, the clock of which just started, if we wait for a bill that's not yet been written.

And I guess my two questions would be, do we plan to do trade adjustment assistance with TPA? And does the gentlelady have any sense of why it's necessary to do that before we do a trade agreement that we've already held the markup on and the President just sent down?

And I'd yield.

Ms. WASSERMAN SCHULTZ. Thank you. As far as the gentleman's reference to the military quality of life bill at the beginning of your remarks, I will remind the gentleman that we did pass, in the military health care and veterans bill, the largest single increase in health care in the 77-year history of the Veterans Administration. So we are certainly doing everything we can to expand access to health care and improve the quality of life of our military veterans.

Referring to the gentleman's question about the trade adjustment act and Peru, I'll remind the gentleman that the Ways and Means Committee did conduct a markup this very week. We are fully engaged in working on the Peru trade agreement and will be working on the trade adjustment act simultaneously to the free trade agreement with Peru.

Mr. BLUNT. I thank the gentlelady.

Mr. Speaker, I'd just say that, one, as we have started that clock, I think it's very important that we keep on schedule, particularly since this will be really the first bill that the majority has done under the TPA standards, and we want to work closely with the majority on that.

And I'd also point out that it's obvious we have not done everything we could have done for military families and veterans, or we'd have a bill that goes into effect next Tuesday instead of some time later this year.

Mr. Speaker, I yield back.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

## REMARKS MADE BY RUSH LIMBAUGH

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, yesterday House Republicans offered a motion to recommit condemning MoveOn.org for its advertisement stating that General Petraeus had ''betrayed us.''

I'm wondering if they'll show similar outrage over statements made yesterday by conservative radio talk show host Rush Limbaugh. Yesterday, Limbaugh called servicemembers who support a withdrawal from Iraq ''phony soldiers.''

Is Limbaugh serious? Is a soldier who is honorably serving our Nation in Iraq any less a soldier if he questions what appears to be a never-ending war?

Last month, seven soldiers from the U.S. Army 82nd Airborne Division wrote an op-ed in the New York Times questioning our continued war efforts, but also stating: ''We need not talk about our morale. As committed soldiers we will see this mission through.''

Now, since publication of that op-ed, two of the soldiers have died. As this op-ed shows, soldiers may question the war, but that does not mean that they're any less committed to their mission.

And now I wonder if Republicans who showed so much outrage towards MoveOn yesterday will hold Rush Limbaugh to the same standard. And I wouldn't hold your breath.

□ 1830

## HONORING EMILY KEYES

(Mr. LAMBORN asked and was given permission to address the House for 1 minute.)

Mr. LAMBORN. Mr. Speaker, I rise today in remembrance of Emily Keyes and the tragic event that touched the community of Bailey, Colorado 1 year ago today.

That morning Emily and six of her classmates were taken hostage at gunpoint by a deranged man as they sat in

class at Platte Canyon High School. After several horrific hours, the gunman ended Emily's young and promising life. This act robbed the Keyes family of their precious daughter and the Bailey community of its tranquil security.

Emily was beloved by all who knew her. They described her as ''sweet,'' ''beautiful,'' and ''polite.'' A member of the volleyball, speech, and debate teams, this active, bright, and industrial girl exemplified the Bailey community.

She also possessed a beautiful soul, as was demonstrated by one of her final acts. In a moment fraught with terror, Emily chose to express love. This brave woman sent a text message to her father that read simply ''I love U guys.''

Following her death, Emily's family asked for ''random acts of kindness'' because, they said, ''there is no way to make sense of this and it is what Emily would have wanted.

This is the legacy for which Emily Keyes shall be remembered. And this is the memory that I rise to honor today.

## HONORING JUDGE RICHARD SHEPPARD ARNOLD (1936–2004)

(Mr. BOOZMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOOZMAN. Mr. Speaker, I rise today to pay tribute to a person who has been described as ''perhaps the best judge never to serve on the Supreme Court.'' I wish today to honor and remember Judge Richard Arnold as we prepare to name the Federal building in Little Rock after one who has given so much to his country.

A Texarkana native, Judge Arnold attended Exeter, Yale, and Harvard, and clerked for Justice William Brennan before returning to Arkansas to set up practice in Texarkana.

President Carter named Judge Arnold, a Democrat, to the district court in 1978 and, in just over a year, named him to the Eighth Circuit. He rose to chief judge and served on the Eighth Circuit with his brother Morris, a Republican.

Judge Arnold's life represents one of commitment to the rule of law and of service to one's country. I am proud to see the Federal building in Little Rock named after him, and I am proud to speak of him here in the well of the House.

## COMMUNICATION FROM THE HONORABLE JOHN T. DOOLITTLE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN T. DOOLITTLE, Member of Congress:

SEPTEMBER 25, 2007.

Hon. NANCY PELOSI,
*Speaker, House of Representatives, Washington, DC.*

DEAR MADAME SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a grand jury subpoena for documents issued by the U.S. District Court for the District of Columbia.

I will make the determinations required by Rule VIII.

Sincerely,

JOHN T. DOOLITTLE,
*U.S. Representative.*

## COMMUNICATION FROM STAFF MEMBER OF THE HONORABLE JOHN T. DOOLITTLE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Alisha Perkins, Scheduler/Office Manager, Office of the Honorable JOHN T. DOOLITTLE, Member of Congress:

HOUSE OF REPRESENTATIVES,
*Wshington, DC, September 26, 2007.*

Hon. NANCY PELOSI,
*Speaker, House of Representatives, Washington, DC.*

DEAR MADAM SPEAKER: this is to formally notify you pursuant to Rule VIII of the Rules of the House of Representatives that I have been served with a grand jury subpoena for documents issued by the U.S. District Court for the District of Columbia.

After consulting with counsel, I will make the determinations required by Rule

Sincerely,

ALISHA PERKINS,
*Scheduler/Office Manager.*

## COMMUNICATION FROM STAFF MEMBER OF THE HONORABLE JOHN T. DOOLITTLE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Dan Blankenburg, Deputy Chief of Staff, Office of the Honorable JOHN T. DOOLITTLE, Member of Congress:

SEPTEMBER 25, 2007.

Hon. NANCY PELOSI,
*Speaker, House of Representatives, Washington, DC.*

DEAR MADAM SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a grand jury subpoena for documents issued by the U.S. District Court for the District of Columbia.

After consultation with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

DAN BLANKENBURG,
*Deputy Chief of Staff.*

## COMMUNICATION FROM STAFF MEMBER OF THE HONORABLE JOHN T. DOOLITTLE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Evan Goitein, Legislative Director, Office of the Honorable JOHN T. DOOLITTLE, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, DC, September 25, 2007.*

Hon. NANCY PELOSI,
*Speaker, House of Representatives, Washington, DC.*

DEAR MADAM SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a grand jury subpoena for documents issued by the U.S. District Court for the District of Columbia.

After consultation with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

EVAN GOITEIN,
*Legislative Director.*

## COMMUNICATION FROM STAFF MEMBER OF THE HONORABLE JOHN T. DOOLITTLE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Ron Rogers, Chief of Staff, Office of the Honorable JOHN T. DOOLITTLE, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, DC, September 25, 2007.*

Hon. NANCY PELOSI,
*Speaker, House of Representatives, Washington, DC.*

DEAR MADAM SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a grand jury subpoena for documents issued by the U.S. District Court for the District of Columbia.

After consultation with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

RON ROGERS,
*Chief of Staff.*

## COMMUNICATION FROM STAFF MEMBER OF THE HONORABLE JOHN T. DOOLITTLE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Gordon Hinkle, Field Representative, Office of the Honorable JOHN T. DOOLITTLE, Member of Congress:

SEPTEMBER 25, 2007.

Hon. NANCY PELOSI,
*Speaker, House of Representatives, Washington, DC.*

DEAR MADAM SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a grand jury subpoena for documents issued by the U.S. District Court for the District of Columbia.

After consultation with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

GORDON HINKLE,
*Field Representative.*

## COMMUNICATION FROM STAFF MEMBER OF THE HONORABLE JOHN T. DOOLITTLE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Martha L. Franco, Senior Executive Assistant, Office of the Honorable JOHN T. DOOLITTLE, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, DC, September 25, 2007.*

Hon. NANCY PELOSI,
*Speaker, House of Representatives,*
*Washington DC.*

DEAR MADAM SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a grand jury subpoena for documents issued by the U.S. District Court for the District of Columbia.

After consultation with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

MARTHA L. FRANCO,
*Senior Executive Assistant.*

## SPECIAL ORDERS

The SPEAKER pro tempore (Mr. MCINTYRE). Under the Speaker's announced policy of January 18, 2007, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

## CAMERAS, COURTS, AND JUSTICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

Mr. POE. Mr. Speaker, Americans have a right to a public trial. This right dates back to the founding of this Nation, and it is based on our values of fairness and impartiality. The more open and public a trial is, the more likely that justice will occur. That's why in this country we don't have the secret STAR Chamber. This is a right reserved for defendants, but the public also sees it as their right to be informed. Cameras enhance the concept of fairness and openness.

Any American could walk into a courtroom and observe that proceeding. But if a person does not physically sit inside that courtroom, that person is denied the ability to see and observe the proceedings. This doesn't make any sense.

Placing a camera in a courtroom would allow the trial to be more public, more just, just like a trial is supposed to be. While Federal court hearings are open to the public, not everyone can actually attend Federal hearings. This is certainly true of appellate and Supreme Court hearings. And because of the impact that the United States Supreme Court and its rulings have on all Americans, those proceedings especially should be filmed. It is time to allow cameras in our Federal courts, at the discretion of the Federal judge.

I personally know how important it is to make courtroom proceedings in trials accessible by camera to the public because I did it. For 22 years I served as a State felony court judge in Houston, Texas. I heard over 25,000 cases and presided over 1,000 jury trials. I was one of the first judges in the United States to allow cameras in the courtroom. I tried violent cases, corruption cases, murder cases, undercover drug cases, and numerous gang cases.

I had certain rules in place when a camera filmed in my courtroom. The media also always followed the rules that were ordered. Court TV even successfully aired an entire capital murder trial that was conducted in my courtroom. My rules were simple: No filming of sexual assault victims or children or the jury or certain witnesses such as informants. The unobtrusive camera filmed what the jury saw and what the jury heard. Nothing else.

After the trial juries even commented and liked the camera inside the courtroom because they, too, wanted the public to know what they heard instead of waiting to hear a 30-second sound bite from a newscaster, who may or may not have gotten the facts straight.

Those who oppose cameras in the courtroom argue that lawyers will play to the camera. No, Mr. Speaker, trial lawyers don't play to the camera. Lawyers play to the jury. They always have done so and always will whether a camera is present or not. I know. I played to the jury in my 8 years as a trial prosecutor.

Those who oppose cameras in the courtroom argue that it would infringe on a defendant's rights, but based on my experience, the opposite is actually true. Cameras in the courtroom actually benefit a defendant because a public trial ensures fairness. It ensures professionalism by the attorneys and the judge. A camera in the courtroom protects a defendant's right to that public trial.

And some members of the bar and judges may not want the public to see what is going on inside the courtroom because, frankly, they don't want the public to know what they are actually doing in the courtroom. Maybe these people shouldn't be doing what they are doing if they don't want the public to know by seeing their actions through a camera. A camera reveals the action of all participants in a trial.

If a judge fears that any trial participant's safety is in jeopardy or that the identity of an undercover agent or security personnel will be revealed by filming, the judge can refuse to have that camera in the courtroom and film that trial. I know how it is when you have certain undercover agents such as the DEA and informants testify. I had them testify in my courtroom, and we took the precautions to secure their identity.

Mr. Speaker, I am no law school academic, but I have 30 years experience as a trial prosecutor and a trial judge. And based on those real experiences, cameras should be allowed in our courts.

The public has a right to watch courtroom proceedings and trials in person. America should not be deprived of this right to know just because they cannot physically sit inside the courtroom during those trials.

We have the best justice system in the world. We should not hide it. Many times citizens wonder why certain things happen in courts and why the results turned out the way they did. Openness, transparency, and cameras will help educate and inform a public that still continues to be enthralled with the greatest court system in the world.

And that's just the way it is.

## WHY A SHORT-TERM WITNESS PROTECTION PROGRAM IS NECESSARY: THE CASE OF CARL LACKL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

Mr. CUMMINGS. Mr. Speaker, I was motivated to address the issue of witness intimidation after the death of Angela and Cornell Dawson and their five children, ages 9 to 14. The entire family was killed, or should I say incinerated, in October 2002 when their home was firebombed in retaliation for Mrs. Dawson's repeated complaints to the police about recurring drug trafficking in her east Baltimore neighborhood.

Since this time, witness intimidation has become a plague on our justice system. According to the National Institute of Justice, 51 percent of prosecutors in large jurisdictions find witness intimidation to be a major problem. Additionally, prosecutors in large jurisdictions suspect that witness intimidation occurs in up to 75 to 100 percent of the violent crimes committed in gang-dominated neighborhoods. In my hometown of Baltimore, it is estimated that witness intimidation occurs in 90 percent of the cases that are prosecuted.

To make matters worse, the murder rate in the city is also at a record-breaking high. Today's Baltimore Sun reported that since January 1, there have been 229 homicides in Baltimore. At this pace, it is conceivable that the city will regretfully reach 300 homicides by the end of the year. While this figure is significantly lower than the record high of 353 homicides in 1993, the current situation is simply unacceptable. We need for our citizens to come forward by reporting crimes to law enforcement and testifying in court when appropriate. However, these simple acts have become a serious threat to one's life.

It is time to combat what is commonly referred to as a ''conspiracy of silence,'' and this is why I am asking

my colleagues to cosponsor and to support the passage of H.R. 933, the Witness Security Protection Act of 2007, should it come to the House floor for a vote. Upon enactment, this legislation authorizes $90 million per year over the next 3 years to enable State and local prosecutors to provide witness protection on their own or to pay the cost of enrolling their witnesses in the Short-Term State Witness Protection Program to be created within the United States Marshals Service.

In closing, I will highlight a recent case that exemplifies the need for this type of program.

On his way to lunch in March 2006, Carl Stanley Lackl, Jr., walked through a Baltimore City alley and witnessed Patrick Byers shoot Larry Haynes. Not only did Carl Lackl call the police, he stayed with the dying victim, comforting and reassuring him as paramedics arrived. Mr. Lackl was prepared to testify as a key witness in Byers' trial.

Unfortunately, Carl Lackl will not get the opportunity to carry out his civic duty. He was killed 8 days before the trial, gunned down in front of his home. Police have accused Byers of sending a text message to an associate giving Lackl's name and address and offering $1,000 to have him killed. According to police, Lackl was at home at about 8:45 when he received a call about a Cadillac that he was selling. As he stood next to the Cadillac, a dark-colored car drove up, and a 15-year-old inside shot him three times, in the arm, chest and leg. Carl Lackl was pronounced dead soon after arriving at a nearby hospital.

Mr. Lackl deserved better. By all accounts, he was a hard worker and a devoted father. My prayers go out to his mother, his daughter, and his entire family. We can and should do better.

Mr. Speaker, witness intimidation is a growing national problem jeopardizing the criminal justice system's ability to protect the public. This issue must be addressed because without witnesses there can be no justice.

Therefore, I ask my colleagues to support H.R. 933, the Witness Security and Protection Act of 2007.

□ 1845

## ADJOURNMENT TO MONDAY, OCTOBER 1, 2007

Ms. WOOLSEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today on a motion pursuant to this order, it adjourn to meet at 12:30 p.m. on Monday next for morning-hour debate.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

## CONSTITUTIONAL WAR POWERS RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, earlier this week I introduced H.J. Res. 53, the Constitutional War Powers Resolution. Today, every Member of Congress received a Dear Colleague letter on this resolution. I hope that all Members and their staffs will take the time to review this legislation.

Too many times, this Congress has abdicated its constitutional duty by allowing Presidents to overstep their executive authority. Our Constitution states that, while the Commander in Chief has the power to conduct wars, only Congress has the power to authorize war.

As threats to international peace and security continue to evolve, the Constitutional War Powers Resolution rededicates Congress to its primary constitutional role of deciding when to use force abroad.

In 1793, James Madison said: ''The power to declare war, including the power of judging the causes of war, is fully and exclusively vested in the legislature. The executive has no right, in any case, to decide the question, whether there is or is not cause for declaring war.'' And that was James Madison, 1793.

The Framers of our Constitution sought to decentralize the war powers of the United States and construct a balance between the political branches. Because this balance has been too often ignored throughout American history, the Constitutional War Powers Resolution seeks to establish a clear national policy for today's post-9/11 world.

The War Powers Resolution of 1973 aimed to clarify the intent of the constitutional Framers and to ensure that Congress and the President share in the decisionmaking process in the event of armed conflict. Yet, since the enactment of the resolution, time and again Presidents have maintained that the resolution's consultation reporting and congressional authorization requirements are unconstitutional obstacles to executive authority.

By more fully clarifying the war powers of the President and the Congress, the Constitutional War Powers Resolution improves upon the War Powers Resolution of 1973 in a number of ways. It clearly spells out the powers that the Congress and the President must exercise collectively, as well as the defensive measures that the Commander in Chief may exercise without congressional authority.

It also provides a more robust reporting requirement that would enable Congress to be more informed and have greater oversight. This resolution is the result of the dedicated work of the Constitutional Project and its War Powers Initiative. And it protects and preserves the checks and balances the Framers intended in the decision to bring our Nation into war.

Mr. Speaker, I hope many of my colleagues will consider cosponsoring this legislation. It is time for Congress to meet its constitutional duty, and it is long overdue.

And with that, Mr. Speaker, before I yield back my time, I want to ask God to continue to bless our men and women in uniform and to bless their families, and for God to continue to bless America.

## THE HEALTH OF IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, earlier this week, the World Health Organization released a report that can only be called shocking and appalling. Cholera is on the rise in Iraq and spreading to urban areas like Baghdad and Basrah, and some of the northern provinces as well.

As most of you know, cholera is a diarrheal illness caused by infection of the intestine. People get cholera from drinking water or food contaminated with the cholera bacteria, and it spreads rapidly in areas with inadequate treatment of sewage and drinking water.

This sounds like a disease of the Third World, not one of a developed and wealthy country, certainly not a country where the United States is propping up the health care system, right? Then why have the confirmed number of cases of cholera risen to more than 2,000? In one week alone, 616 new cases were discovered. The WHO estimates that more than 30,000 people have fallen ill with similar symptoms which may later be confirmed as cholera.

This is a shocking epidemic. As a result, the Iraqi Government is considering travel restrictions to limit the spread of this often deadly disease, particularly for children.

In a country already crippled by refugees and internally displaced people, the situation grows more severe every single day. Why, as we are spending more than $13 million an hour for the occupation of Iraq, $13 million an hour, 24 hours a day, 7 days a week, can we not join with the international community to provide for the most basic human needs? We are talking clean drinking water and proper sanitation. This is not reinventing the wheel or putting a man on the Moon.

Clean water and sanitary conditions, is that too much to ask? I guess it might be for our leader at the other end of Pennsylvania Avenue, because the administration spews a lot of rhetoric about liberating the Iraqi people. Does that mean crumbling infrastructure, sectarian fighting, a massive refugee crisis, and on top of that, a possible epidemic of cholera?

Iraqi families need to start their lives over again. They need their kids to be able to go to school. And they need to start their businesses and reopen them. They want real sovereignty

over their own nation. They want U.S. troops out.

Real leadership in Iraq means bringing our troops home and offering humanitarian assistance to the people of Iraq. We must join with the international community to provide relief, reconstruction, and reconciliation. This is the only way forward for Iraq.

Force and occupation will not rebuild Iraq. It will not provide healthier communities. And most importantly, it will not provide a peaceful future for the people of Iraq.

Bring our troops home. Bring hope to our military families at home and the Iraq families yearning for peace.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

## RUSH LIMBAUGH'S ''PHONY SOLDIER'' COMMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Ms. SCHAKOWSKY) is recognized for 5 minutes.

Ms. SCHAKOWSKY. Well, Rush Limbaugh is at it again. Unable to defend an indefensible war in Iraq, he has once again resorted to ''sliming'' the messenger. In this case, unbelievably, the messengers he's going after are the brave men and women who have served their country in Iraq, Afghanistan, and other wars.

Men and women who serve in Iraq differ from Rush Limbaugh in two critical ways. First, unlike Mr. Limbaugh, they actually served in the military. Second, unlike Mr. Limbaugh, they understand that the war in Iraq is making our country less safe and destroying the military.

How dare Rush Limbaugh label anyone who has served in the military as a ''phony soldier.'' How dare he say that his views in Iraq, formed in the comfort of his radio studio, are legitimate, while the views of those whose opinions were forged on the battlefield are not. Could Rush Limbaugh actually face soldiers who have risked their lives and tell them that their beliefs don't matter?

These are soldiers like Brandon Friedman, a former rifle platoon leader in the Army's 101st Airborne Division who fought in Afghanistan in 2002 and commanded troops in Iraq. He says, ''The escalation of the war is failing and now the mission must change. The fact is,'' he says, ''the Iraq war has kept us from devoting assets we need to fight terrorists worldwide, as evidenced by the fact that Osama bin Laden is still on the loose and al Qaeda has been able to rebuild. We need an effective strategy that takes the fight to our real enemies abroad, and the best way to do that is to get our troops out of the middle of the civil war in Iraq.'' Is Brandon Friedman a phony?

Or Josh Gaines, who earned the Global War on Terrorism Expeditionary Medal and the National Defense Service Medal during his 2 years in Iraq, he believes the war in Iraq was a mistake from the beginning. Is he a phony? Or retired General William Odom, the head of the National Security Agency during the Reagan administration. His advice: ''The sensible policy is not to stay the course in Iraq. It is rapid withdrawal, re-establishing strong relations with our allies in Europe, showing confidence in the U.N. Security Council, and trying to knit together a large coalition, including the major states of Europe, Japan, South Korea, China and India to back a strategy for stabilizing the area from the eastern Mediterranean to Afghanistan to Pakistan.'' General Odom says: ''Until the United States withdraws from Iraq and admits its strategic error, no such coalition can be formed. Thus those fear leaving a mess are actually helping make things worse while preventing a new strategic approach with some promise of success.''

Does Rush Limbaugh really want to look General Odom in the eye and call him a phony? I believe that we should all pay attention to the views of Brandon Friedman and Josh Gaines and General Odom whose beliefs, like their military experience, are real. And while we're at it, let's pay attention to the 72 percent of American troops serving in Iraq who also think the U.S. should exit the country within the next year, and more than one in four who say the troops should leave immediately, according to the Zogby poll. I guess they're all a bunch of phonies, according to Rush Limbaugh.

Our military men and women deserve respect. Apparently, however, Mr. Limbaugh thinks they deserve to be smeared and belittled unless they happen to agree with him. I understand why Rush Limbaugh cannot debate this war on the merits, but bashing soldiers and veterans who disagree with him is unpatriotic and un-American.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. LAMBORN) is recognized for 5 minutes.

(Mr. LAMBORN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

(Ms. WATERS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DREIER) is recognized for 5 minutes.

(Mr. DREIER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. MCCARTHY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

## PUBLICATION OF THE RULES OF THE SELECT COMMITTEE TO INVESTIGATE THE VOTING IRREGULARITIES OF AUGUST 2, 2007, 110TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DELAHUNT) is recognized for 5 minutes.

Mr. DELAHUNT. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I respectfully submit the rules of the Select Committee to Investigate the Voting Irregularities of August 2, 2007 for printing in the CONGRESSIONAL RECORD. The Select Committee adopted these rules by voice vote, a quorum being present, at our organizational meeting on September 27, 2007.

RULES OF THE SELECT COMMITTEE TO INVESTIGATE THE VOTING IRREGULARITIES OF AUGUST 2, 2007, 110TH CONGRESS, ADOPTED SEPTEMBER 27, 2007

*Resolved*, That the Rules of the Select Committee to Investigate the Voting Irregularities of August 2, 2007 shall be as follows: Except as provided in paragraphs (1)—(4), rule XI and clause 2(c) of rule XIII of the Rules of the House of Representatives shall be rules of the Select Committee.

(1) Regular Meeting Days. If the House is in session, the Committee shall meet on the first Thursday of each month at 9 a.m. for the consideration of any pending business. If the House is not in session on that day and the Committee has not met during such month, the Committee shall meet at the earliest practicable opportunity when the House is again in session. The Chairman may, at his discretion, cancel, delay, or defer any meeting required under this section, after consultation with the Ranking Minority Member.

(2) Questioning Witnesses. The chairman, with the concurrence of the ranking minority member, may permit an equal number of majority and minority members to question a witness for a specified period that is equal for each side and not longer than 30 minutes for each side at a time. The chairman and ranking minority member shall each determine how to allocate this time for their members.

(3) Views. Supplemental, minority, or additional views may be filed under rule XI and rule XIII of the Rules of the House of Representatives, and the time allowed for filing of such views shall be three calendar days, beginning on the day of notice, but excluding

Saturdays, Sundays, and legal holidays (unless the House is in session on such a day), unless the Committee agrees to a different time.

(4) Quorum. For the purpose of taking testimony and receiving evidence, one Member from the majority and one Member from the minority shall constitute a quorum, unless otherwise agreed to by the ranking minority member.

## UNITED STATES-PERU TRADE PROMOTION AGREEMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 110–60)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Ways and Means and ordered to be printed:

*To the Congress of the United States:*

I am pleased to transmit legislation and supporting documents to implement the United States-Peru Trade Promotion Agreement (Agreement). The Agreement represents a historic development in our relations with Peru, and it reflects the commitment of the United States to supporting democracy and economic growth in Peru. It will also help Peru battle illegal crop production by creating alternative economic opportunities.

In negotiating this Agreement, my Administration was guided by the objectives set out in the Trade Act of 2002. The Agreement will create significant new opportunities for American workers, farmers, ranchers, businesses, and consumers by opening new markets and eliminating barriers.

Under the Agreement, tariffs on approximately 80 percent of U.S. exports will be eliminated immediately. This will help to level the playing field, since over 97 percent of our imports from Peru already enjoy duty-free access to our market under U.S. trade preference programs. United States agricultural exports will enjoy substantial new improvements in access. Almost 90 percent, by value, of current U.S. agricultural exports markets will be able to enter Peru duty-free immediately, compared to less than 2 percent currently. By providing for the effective enforcement of labor and environmental laws, combined with strong remedies for noncompliance, the Agreement will contribute to improved worker rights and high levels of environmental protection in Peru.

The Agreement forms an integral part of my Administration's larger strategy of opening markets around the world through negotiating and concluding global, regional, and bilateral trade initiatives. The Agreement provides the opportunity to strengthen our economic and political ties with the Andean region, and underpins U.S. support for democracy and freedom while contributing to further hemispheric integration.

Approval of this Agreement is in our national interest.

GEORGE W. BUSH.

THE WHITE HOUSE, *September 27, 2007.*

□ 1900

## AMERICA'S HERITAGE IS AT RISK AS OUR NATION LOSES ITS WAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, when our Nation was founded, its spirit of independence and liberty permeated its creation. Freedom, independence, and liberty are the core of the American spirit. But I fear that our priceless heritage is at risk as our Nation loses its way. We are $10 trillion in debt, dependent more and more on foreign borrowing every day to conduct wars not being paid for. We are energy dependent, not independent. We are dependent on foreign petroleum, 75 percent of which we import from foreign countries across the rest of the world. Most of those places are undemocratic regimes. We are dependent on that petroleum. We are dependent on importing capital because we are $10 trillion in debt. Now we have the highest home foreclosure rate since the Great Depression.

The State that I represent, Ohio, which has lost so many jobs through outsourcing to foreign countries, is hard hit, as is our sister State north of us, the State of Michigan. Why? These are all the result of Wall Street draining people's accumulated equity from their largest form of savings, their home. When you have that amount of debt, you have to monetize it. You have to cover the gap. So what do you do? You send letters to the American people. The big banks are saying, ''Do you want to borrow against your home equity? Do you want to borrow $20,000 or $30,000 or $40,000?'' That happened across our country, and now many people are living in homes where they owe more on their mortgage than the basic value of the home itself.

We are losing our independence. Families are losing their independence. In turn, the Nation is losing its independence. At some point, you might say, the chickens of profligacy have come home to roost.

We witness parts of our Nation being pawned off every day. We see turnpikes that the States used to own and run being rented out to foreign countries for 99 years, and then the taxpayers of those States having to pay for them again with interest over 99 years. And the debt never ends.

The latest fire sale, as was reported in the New York Times yesterday, is NASDAQ, one of the pillars of our stock market. The New York Times reported that an undemocratic country, the United Arab Emirates, which is a Middle Eastern fiefdom, intends to buy one-third of the NASDAQ. That is incredible.

Let me ask, why would we sell any part of the heart of our economy to a foreign government or any undemocratic interest? Why we would do this, unless we were broke. And we are broke. We are only holding it together with borrowing. If our government tried to buy one-third of the NASDAQ, I could just hear the voices in here saying, ''socialism, socialism.'' It wouldn't be allowed. We would stop it. Why would we allow any foreign government or any foreign interest to purchase one-third of one of our pillars of capitalism in this country? The United Arab Emirates is notorious for human trafficking, for money laundering, including from terrorist networks. And we are going to allow them to buy one-third of the NASDAQ?

The United Arab Emirates is a hub in the Middle East for recirculating petrodollars that are taken out of our pockets because we are energy dependent here at home rather than energy independent. Those countries have amassed billions and billions and billions of dollars to fuel their undemocratic oil dictatorships. The UAE has no democratic government, no democratically elected government. Its citizens have no right to freely change their government. We have laws that tell us how often we have to change our Government. There is no freedom of representation in the United Arab Emirates. Why would we allow them to buy one-third of our stock market?

Mr. Speaker, I intend to introduce legislation to block this latest sellout of America.

## IS AMERICA READY FOR AN EXPENSIVE HEATING SEASON?

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 60 minutes as the designee of the minority leader.

Mr. PETERSON of Pennsylvania. Mr. Speaker, it is September 27. We are just finishing the first week of fall. It doesn't seem possible, Mr. Speaker, that summer has slipped by. We are now entering the fall season. That means the cool nights and chilly days will soon be coming. The northern part of the country has already had a couple of movements of Canadian air down where we have chilly nights. That will soon cover most of the country. That means the heating season will begin.

The question I ask is this: Is America ready for the most expensive heating season that we may have ever faced? Yes, all of the last week, the first week of fall, we have had $82 oil. In fact, at the close today it was just 12 cents, it would have been $83 oil. I remember when $50 oil caused a panic, and $60 oil was going to be the end of all, and then $70 oil, and this week we have had $82 oil all week. I haven't heard many people talk about it because that price hasn't hit us yet. It hasn't hit the pump yet. It hasn't hit home heating costs yet.

But $82 oil will give us the highest home heating oil prices we have ever had. It will also give us very high propane costs to heat our homes. Now, 60-some percent of our homes are heated with natural gas. The current price of natural gas, which is at the low ebb because of the summer low usage, is at $7 today. That will soon be rising as we get into the fall season and gas consumption increases. This year, all of the gas distribution companies are warning their customers that they will pay from 9 to 15 to 20 percent more this year than last. That is only on a prediction, because that depends if we have no storms in the gulf or no major supplier of gas that goes offline. A storm in the gulf, and we have not had one that really damaged the gulf now all of last year and all of this year, would give us $90 to $95 oil quickly, could give us $12 to $15 gas quickly. Then we would have real pain in America, not only for those that are heating their homes, but the ones that buy this energy every day of the week, every week of the year, the manufacturers and the processors in America that run our plants: the steel mills, the aluminum mills, the chemical plants, the fertilizer plants, those who process our goods, those who bake our bread, those who cook our foods. I was talking to Hershey Foods today about the energy they use to roast the peanuts and melt the chocolate and make the candy. Energy is consumed in every process of life.

What has this Congress, in the few months we have been here, what have we accomplished to stabilize energy prices? I am just going to turn this chart over because that simplifies what we have not accomplished, because we haven't accomplished anything. There has not been one bill passed. There has been nothing changed. But we have been stirring around doing things.

I want to ask you tonight, Mr. Speaker, are the things we have been doing productive and helpful? Will they help Americans heat their homes and drive their cars with affordable energy? Well, the legislation that has been approved by this body, and I believe the Senate, removes 9 trillion cubic feet of gas in the Roan Plateau that was permitted. All the NEPA studies were done. All the environmental assessments were done. It was ready to be drilled. This legislation takes 9 trillion cubic feet of natural gas off the market.

This legislation also locks up the oil shale reserves in the West. What are the oil shale reserves? Well, some think it is the largest reserve of oil in the world. We still haven't figured out how to unlock it from the shale rock. But to the north of us, we have the tar sands that are very similar. It is going to take a lot of energy and a lot of heat to warm it up and get it out of there. I was talking to a Canadian company this morning, and in Canada they are now producing about 1.5 million barrels per day of tar sand oil. Their goal in a year or 2 is to be at 3 or 4 million. They have been working on that for a long time, because it was a process that they needed to develop and that they needed to refine. They needed to figure out how to make it work.

Now, it seems that we down here in the States ought to be working just as diligently on the shale oil reserves so that we would be energy independent. The lady from Ohio was just talking about dependence. What we are talking about is the issues I am talking about here. Taking the 9 trillion cubic feet away, taking the shale reserves out, will make America not less dependent, but much more dependent on unstable foreign countries.

I don't understand the lack of urgency in this body. We have not had an urgency in this body since I have been here that I think is adequate, because America does not realize that $82 oil might almost be a plateau upon which we can have spikes. If we have a storm in the gulf, it will spike. If we have a major sender of oil or a country we are getting a lot of oil from has any trouble with their government or any instability there or any kind of explosion in a pipeline or a loading dock, we can have $100 oil. And we know then we would be looking at maybe $3.75 to $4 gasoline. We currently don't have $3 gasoline in most of the country, some parts, but we soon will have, because $82 oil will be more than $3 gasoline when it catches up in the pipeline.

The legislation we have before us is making it very difficult to produce in the Alaskan National Petroleum Reserve that was set aside a long time ago. The rules are being changed. They are making it harder to permit. They are making it harder to produce there. That is a $10 million oil reserve.

Then this one is the one that surprises me. I know a lot of Members of Congress hate oil companies, hate big oil. But we passed legislation here in the Senate, it is not law yet, thank God, that increases the taxation on anybody who produces energy and processes energy by 5 percent. So any company that produces energy in America will pay a 5-percent higher corporate income tax than anybody who manufacturers anything else. Now I don't know why we would do that. I know they want to get at the five big oil companies, but probably 75 to 80 percent of the production is not by big oil. They are the processors. They are the refiners. They are the marketers. But there is company after company that are investing billions in America and billions around the world to produce energy that are not big oil. They don't market oil. They drill and produce and move and transport petroleum and other products to the marketplace. Well, we are causing them to pay these taxes.

I have two refineries in my district still. One is a Penn grade crude refinery, American Refiners in Bradford, about 10,000 barrels a day, just a small refinery. They are going to pay 5 percent more corporate taxes than any other business in Bradford, Pennsylvania. Is that fair? No. That is not fair. What will that do? That will make energy more expensive, not less expensive. It will not encourage people to produce in this country. It will encourage them to produce in other countries so they don't have to pay it.

United Refinery in Warren, Pennsylvania, that gets Canadian crude, gets it under the lake; it comes under the lake in a pipeline. It is a very good refinery. It has been growing about 70,000 barrels a day now. It is a company that I am very proud of and have worked with for years. They are going to pay 5 percent more corporate taxes now if this becomes law. That will make it more expensive for them to produce the gasoline and fuel oil for our people. Who will pay that? The consumers. We will pay that.

Also, the language that we have been working on, I was fortunate in the energy act in 2005 to put an amendment in that took away redundant NEPAs. Now, NEPA is a study. It is an environmental assessment that is very important that we do before we do anything on public land. Well, those who oppose the production of energy, and that is a lot of people in America, who don't want us to drill for oil, who don't want us to drill for gas, who don't want us to dig for coal, don't want us to use fossil fuels, and don't want nuclear, so they fight it. They fight it in the courts.

□ 1915

They use processes to make it difficult. I had people telling me in the West they had leased 6, 7 years prior and were still unable to drill a hole in the ground and bring any oil or gas up. It was because they were being caused to do a NEPA study for every step in the process.

Now, a NEPA study is a complete environmental assessment, and it's appropriate. But should you do five or six NEPA studies before you can drill for gas or oil? I don't think so. I don't think that is fair. That is just about delay. That is not about environmental protection. That is to prevent the production of energy.

I don't understand, because when you look at the chart, and let's look at it, we are using 40 percent petroleum, and currently 66 percent of that comes from, as the gentlewoman from Ohio said, foreign, unstable non-democratic governments that you really can't depend on.

Natural gas is 23 percent of our energy. That is the one that has been increasing. About 12 years ago we took away the moratorium on using natural gas to make electricity, and now 21 percent of our natural gas makes electricity. We now, for the sixth year in the row, have had the highest natural gas prices in the world. That has been a serious problem for business and industry, our job creators.

Dow Chemical, the largest chemical company in the world, in 2002 used $9

billion worth of natural gas. That seems like an incredible figure. Four years later, in 2006, they spent $22 billion. That's $9 billion in 2002, $22 billion in 2006. In four years, $22 billion, because the price of natural gas had spiked in this country, higher than Europe, higher than all our competitors, five to six times higher than South America.

Natural gas prices have been one of the biggest drags on the American economy, because we use it to melt steel, we use it to bend steel, we use it to make aluminum, we use it to make ethanol, we use it to make hydrogen, we use it to heat our homes. In the petrochemical business, which Dow Chemical is in, they use it as an ingredient. Fertilizer, it's an ingredient; plastic products, it's an ingredient; polymers, it's an ingredient.

So natural gas is not only a fuel, but it's an ingredient. The face creams that we all like, the skin softeners that keep our face and hands soft, that is a direct product from natural gas. Natural gas is the finest product known to man to make things with.

Then we have coal. The bulk of that is used to make electricity. I had a gentleman ask me the other day, how are we coming on coal to liquids, coal to gas?

Well, we are not. In World War II, Germany fought us with liquids made from coal. It was called the Fischer-Tropes process. We have paid many universities in this country and researchers to come up with other ways. There are numerous ways now to make liquids. We could make jet fuel, we could make gasoline, we could make diesel out of coal. We have not refined it and we have not made it cost effective, but we know how to do it. We can make natural gas out of coal. But there is such an anti-coal sentiment in America, because it produces carbon in the air.

I said to the person, there have been groups in the Senate and there have been groups in the House trying to put pilot projects or some way of helping push the ball down the road for coal to liquid and coal to gas so that we can be less dependent on foreign oil, but not one of those has even come close to having a vote to get in any of the energy packages that are moving.

We have clean coal technology to make electricity out of coal. It's much cleaner than the old processes. But there are those who think today they probably couldn't build one of those plants because there is such opposition. Though we are the Saudi Arabia of coal, it's kind of sitting on the sidelines.

Eight percent of our energy comes from nuclear. Since the Energy Act of 2005, thirty-some companies have put in plans and requests for permitting of new nuclear facilities, and I think all on existing sites, expansion of current plants and new plants. In fact, I see the other day that the first two permits to come in to build a completely new reactor, not just additions, have come in.

But the 35 permits we have in process, I am told by the industry that by 2020 we need them all to just keep nuclear at 8 percent of our electric generation, because our electric use is rising so fast that we need to grow nuclear or nuclear won't be 8 percent; it may be 7 percent, then 6½ percent.

Hydroelectricity is not growing. Clean energy, no pollution, but there's great opposition. You couldn't build a dam in this country today; that is not allowed. So hydroelectric is just where it's at, and that percentage will continue to shrink. As the use of electric goes up, this will go down to 2.5, 2.3, 2 percent. We have lots of dams in this country that have not been harnessed, and there's been a real resistance.

The only good news on the chart is biomass, which is wood waste and things, pellet stoves, people heating their home from pellets. You have factories heating in the woods where we have lots of forests and mills where we process wood. They use it to heat the boilers to heat the factory. They use it to top off some of the coal plants, which allows them to meet air standards. It may be 80 percent coal and 20 percent wood waste. Biomass has been growing. Of course, down the road we hope to get into cellulosic ethanol. I will talk about that a little later.

Geothermal is a very good form of energy, but a very small percentage. We use that by using the ground temperature, whether we drill into wells and use the well water, or whether we put a loop system in deep enough that you have the ground temperature and you take heat out in the wintertime and take cold out in the summertime to cool your home or heat your home. But that is a very expensive investment and is usually done in new construction, and it is pretty disruptive to do it in an existing neighborhood.

Wind and solar are the two sexy ones. They get a lot of talk, and there are a lot of things going on there. But we see the percentage. If we double these percentages, even if we triple these percentages, we are not to 1 percent. These are very small numbers.

We all like them because they are clean. I shouldn't say ''we'' all like them. We had a bill introduced this year that was introduced in the Resources Committee that said if a bird was found at the foot of a windmill, it was going to be a criminal offense. I think that language was removed in the bill that moved. But that shows you that someone is not very pro-wind, because birds and bats will occasionally get in that path and hit those blades.

But these two, what the problem is, when the wind doesn't blow, we have to have a natural gas generator to turn on. That is what we do. Then solar, when the sun doesn't shine, we have to have a natural gas generator to turn on. When you add these up, wind and solar and geothermal, you are less than 1 percent of the overall energy mix. No matter how much we increase them, they are a fraction. It will be a long time before they are real numbers.

So what does that mean? That means whether we like fossil fuels or not, we must have more petroleum, we must have more gas, we must have more coal, we must grow nuclear, we should be growing hydroelectric. Biomass is the only one that is really showing much growth.

But I want to tell you, the environmental groups in America that are running energy policy, and certainly today in this House, are anti-petroleum, because you drill a hole in the ground. They are anti-natural gas. I don't understand that one, because natural gas is a clean gas. There is no nitric oxide. There is no sulfuric acid. There is one-third of the $CO_2$, if you are concerned about $CO_2$. It is really the green field.

In my view, the only way we will survive or prevent a crisis in America on energy is if we really pull the stops up and open up every natural gas field we can until we can develop some of the renewables, until we can find other sources of energy.

We have ethanol. Ethanol now, in 2006 we produced 5 billion gallons. This year, we are at 6 billion gallons. So we are growing. Our ethanol is made out of corn. Brazil's was made out of sugar cane. That was cheaper to make.

To make ethanol out of corn, you have two processes. You have to take the starch and turn it to sugar. Then you ferment the sugar and make the ethanol that you use as a fuel. So it is a dual process. Ninety-five percent of all these plants are fueled with natural gas. So we need natural gas for that.

Natural gas, like I said, is the only fuel that can really prevent this. We have a lot of petroleum being produced in this country, but we can never be self-sufficient. People who think we are going to be independent are just talking.

Natural gas, we can be self-sufficient, we can keep moderate prices. We can expand natural gas use in our auto fleet and save a lot of oil with natural gas, in my view. But natural gas is looked at just like oil. You have got to drill a hole in the ground, and you must not do that.

In my opinion, from the administration on down, there are really no strong proponents of coal. There are Members of Congress that are strong proponents, but certainly far from a majority. And I don't look for any progress on coal. I don't look for any progress on petroleum. I have not given up on natural gas, and I will talk about my bill in a moment, because we believe that natural gas is our only hope of diverting an energy crisis in America.

What do I mean by an energy crisis? I mean oil prices where we cannot afford to compete. The problem we have today, Americans are struggling, the poorer Americans are struggling, by the time they heat their homes this winter, drive their cars, to have adequate funds left for health care and

food and all the other substantives of life. Energy prices are going to make it very difficult on the poor in this country as they continue to rise. But even worse, and I know people don't care as much about companies, but companies and businesses who are employing us, they make up the payrolls. They give people a chance to make a living.

We have the highest natural gas prices in the world; and when our companies are paying the highest prices for the fuel they use to make products, then they are not competitive in the world marketplace.

We have lost more jobs in America than we can count. We blame it on trade agreements; we blame it on lots of other things. But the last 6 to 7 years, natural gas prices were between $1.77 and $2 for years, we had a couple of spikes in the seventies and eighties, and then the climb started. Then came Katrina. Now we are up in the $7 and $8 figure. With a storm in the gulf, we could be back up to $14 or $15 again, because as we enter the heating season, we are at the low ebb of the year, about $7 per thousand, but a lot the gas that is in the ground for this year's use, we paid $8, $9 and $10, because we put gas in storage all for the winter usage. I don't know what the average price is coming out, but most of the utilities have told us 9 to 20 percent more for heating a home with natural gas this year, depending on which utility you are on, when they bought their gas or how they bought their gas.

So we are looking at a measurable increase. We are looking at a real spike in fuel home heating prices, because $82 oil will be the most expensive home heating prices we have ever had. Propane comes from both, so propane will be somewhere in the mix. It is always more than natural gas. So the cost of heating our homes this year will be very important.

Now, let's bring up the chart on what we think is the solution, the best thing we can do.

Here is a picture of this country. You could also have some great big blobs in here where we have locked up huge resources of natural gas and coal and oil that are on public land, because in the West, the vast majority of the land is owned by the Federal Government.

But where we are different than any other country in the world is we have chosen to lock up our Outer Continental Shelf. What is the Outer Continental Shelf? Well, Mr. Speaker, that is from 3 miles offshore to 200 miles offshore. Every country in the world produces a lot of their oil and gas out there, because it is very prevalent.

Now, we produce in just a small piece in the gulf, and we get 40 percent of our energy from there. This small area down here is what keeps America alive. Otherwise, we would be importing 80 to 90 percent of our oil from foreign countries.

I just find it amazing that we have chosen as a country that we are just not going to produce more. Maybe 10 years ago when gas was $2 a thousand and oil was $10 a barrel, it may have been a smart argument, let's buy theirs while it is cheap and save ours for when it is expensive.

Well, we are still saving ours. We have $82 oil. We are still saving ours. I think if we had $90 oil next month, we would still be saving ours. I have been here awhile. We have been trying to open up this for a number of years. We had a successful bill last year, but we didn't have success in the Senate. But it makes no public policy sense to not be producing oil and gas off our Outer Continental Shelf.

□ 1930

It is the safest with the least environmental impact. The sight line from shore is about 11 miles, so when you are past that, you can't see it. The commotion caused from a drilling rig, a thousand drilling rigs, is less than one storm as far as turmoil on the ocean floor. And there hasn't been a major spill of oil except for the one in Santa Barbara in 1969.

The technology of today is when a storm comes or there is a problem, the valve of the rig on the ocean floor is electronically turned off. When we had the tremendous storms in the gulf several years ago, we had very little spillage because when the storm was coming, they turned off the valves. If the platforms move, the rig is ruined, nothing happens. We have always had more spillage in the ocean from hauling oil in tankers than from wells. But we don't prohibit tankers because then we wouldn't have any oil.

I don't understand why we are financing all of these countries in the world by being dependent on them. They are not our friends. They were the ones that sent those here on 9/11, but we are funding them with these huge oil costs and we just plain will not use our own. There is no good reason why we couldn't be producing a lot more of our own energy, totally self-sufficient in gas, stable prices and competing with the world with all our manufacturing. We can help oil prices in the world by supply, but we cannot dictate them because we are not that big a player unless we learn how to use our shale oil down the road, and then we could say good-bye to the foreign imports.

But it seems to me that we ought to be opening up the OCS. That is the simplest. And my proposal is pretty simple. We are just going to open it up for natural gas. We are going to say the first 50 miles, that is up to the States. Only if the State wants to open it, can they. We are not opening it.

The second 50 miles would be open for natural gas only, but a State would still have the ability to say no. They could pass a law in their State and say Congress, we don't want this open. Then it would be protected for 100 miles.

For the second 100 miles, our bill would open gas. I would like to be opening oil out there, too, because that is so far out, there is just not an environmental problem. But we are just asking for gas because we think gas is more of a crisis than oil because we are going to lose more jobs in this country because of the highest natural gas prices in the world.

Mr. Speaker, $80 oil is pretty painful, but it is painful to the whole world. That is the world price. When we have gas that is twice and three times and four times what competing countries are at, we are at a disadvantage.

We have lost half of our fertilizer industry in the last 2 years because of natural gas prices. We are losing our petrochemical industry. Those are some of the best jobs left in America. We are going to be losing our polymer and plastic jobs because of natural gas prices. It just seems to me that we really, really need to change our attitude in this country and say let's be more independent.

Those who tell you we can be independent are not being honest with you. I don't know of any way we can be independent. We will also always be dependent on foreign energy in our lifetime. Maybe some day with new forms of energy or new ways of powering vehicles and new ways of lighting and heating our homes, if we can do that, some day we might be. But all of the things that we are working on are still on the margins. We want to grow them all. We want to move them as fast as we can. We want all of the renewables that we can get. But those who tell you that renewables will take care of even the growth in energy needs are not being honest with you. And those who say that renewables displace oil and gas and coal needs in this country are not being honest with you because they just can't.

We need to have the OCS opened up. We need to promote all of the renewables we can. The President is promoting cellulosic ethanol. We are at 6 billion gallons of ethanol, and they want to get to 35. That is a big jump. I don't know whether we can get there. They want not to just be corn. And I noticed today corn prices are approaching $4 a bushel again. When we started making ethanol, corn was less than $2. Nobody knows where it is going to be when we go through another season because there are a lot of ethanol plants being built. We will have a lot more capacity a year from now to make ethanol.

There are problems with ethanol. It takes a lot of energy to make it. I am not opposed, but it costs a lot to make it. And one of the problems is that ethanol cannot be put in a pipeline system where the vast majority of our energy is put out to the stations. We have to blend it at the station or blend it at the distributorship and haul it in tankers because it has a corrosiveness to it. So unless we change all of the pipelines in the country, ethanol has a serious problem that we have not been able to overcome yet. We have to haul it separately and then blend it at the station

in a tank. So it has a distribution problem.

The President wants to do cellulosic ethanol which will be from any kind of waste material. It could be from wood waste when you ferment it to make it. Or it could be from garbage, which seems to make some sense. It could be from things like switchgrass and cornstalks and any kind of cellulose, cellulosic ethanol.

The problem is that it is still in the laboratory. We think we have about got it to where we can make it. They are funding six plants which are going to be experimental. I am for that, but I think we should be doing the same thing simultaneously with coal. Taking every process we have to make liquids from coal and refining it, improving it so we can do it in volume down the road. Coal to gas and coal to liquid, every measure we know, we ought to be refining those and getting those to where they will help us to be independent.

And we should be continuing to promote nuclear. The nuclear we have on the drawing boards will keep us from losing percentage. It will not help us grow, but we need to figure out, and that may be one of the biggest mistakes we made, if we are really concerned about $CO_2$, we certainly should be for nuclear power plants.

But we need to be doing all of these, Mr. Speaker. We need the OCS open. We need that clean, green natural gas, affordable and available to heat our homes, run our businesses, and manufacture products so we can compete in the world marketplace. We need clean, green natural gas as well as cellulosic ethanol, as well as all of the renewables, as well as coal to liquids, as well as coal to gas, and as well as clean coal technology and more nuclear plants.

A lot of our competitors, like China and India, they are buying up reserves of oil and gas all over the world. They are building coal plants, coal-to-liquid plants. They are building hydrodams. They are building every form of energy there is at breakneck speed. We as a country are sitting here on our hands twiddling our thumbs, actually today moving in the direction of less available energy, which will make us more costly and more foreign dependent.

The legislation that we have before us, if it becomes law, I think will speed up, and we have been gaining in dependence on foreign oil about 2 percent a year for the last 10 years. I think we will speed it up to 3 to 4 percent a year if we go down to the road of taxing oil more, of taking major plateaus and major reserves off the table, refusing to open up the OCS, our dependence will grow. When you are at 66, you don't have to go very far to where you're three-fourths, and then you are 80 percent and the rest of the world will just plain own us because they today, OPEC today sets the price of oil. Five years ago they didn't. They had lost their grip. But today, they set the price of oil.

Imports. This is not quite up to date. I am going to have to get a new chart with 2 more years on it. But we are back on a steady climb. I predict it won't be very long until we will be at 70. And if we pass the legislation that is before the House and do nothing else, do nothing to open up, do no OCS, do no Alaskan, and continue to take much of the Midwest out of the picture, continue to lock up more reserves, we will be 70 and climbing towards 75 at breakneck speed and America will be dependent for their total economy, for the ability to heat their homes and manufacture, on foreign, unstable nondemocratic countries who will actually and literally own us. That's not the America I want for my grandchildren and for your grandchildren. I want an America that has a sound energy policy that produces oil, produces gas, produces coal, moves into all of the renewables and does more on conservation.

I haven't talked about conservation, but prices are going to force us to conserve. There are many who want prices as high as we can get them so we will use less energy. Well, they are winning. And I am going to tell you, energy prices this winter will be the highest they have ever been, and we will be dependent on weather as to how high they go.

Major storms in the gulf, major cold weather where we consume a lot of heat, will set prices far higher than they are today. We are not in control. The weather and unstable parts of the world will dictate what America does for energy.

## CONSTITUTION CAUCUS

The SPEAKER pro tempore (Mr. MCINTYRE). Under the Speaker's announced policy of January 18, 2007, the gentleman from New Jersey (Mr. GARRETT) is recognized for 60 minutes.

Mr. GARRETT of New Jersey. Mr. Speaker, I thank you for the opportunity to come to the floor tonight as we wrap up this week's session in Congress. It was just last week, Monday, the 17th of September, when we celebrated the 220th anniversary of the signing of our founding document of this country, the Constitution. It was on September 17, 1787, 39 revolutionary and visionary Founding Fathers changed the course of history in this land and the world as well.

It came about after months of deliberations. What they did was succeed in securing liberties and freedoms that were, quite honestly, unimaginable to previous civilizations. I should just note, to commemorate this and honor the civilization's most ingenious governmental guidelines that we recognized last week, I introduced House Resolution 646 to that end.

Tonight I come to the floor, as we do often as part of the Constitutional Caucus, to raise up the issue of the Constitution, that seminal document, that document that we should be looking to each and every day when House Members and Senate Members come to the floor after having deliberated various issues and bills, and taking out of their pocket their voting card and sliding into that slot, to ask themselves: Is what we are about to vote on constitutional? Is it within the confines of the Founding Fathers' document?

Tonight I am joined by my colleagues, the gentleman from Utah (Mr. BISHOP) and the gentleman from Iowa (Mr. KING), and I believe shortly the gentlewoman from North Carolina (Ms. FOXX) as well, as we deliberate and discuss the issues of the Constitution.

We do this for several purposes. It is an illuminating event we believe both for Members of Congress and also for the general public as well, an opportunity to explore and expand and expound upon this important document. Because if we lose that, if we lose that as a guiding principle, obviously there will be nothing as a guide for us or a restriction into the role we are elected to abide by.

Tonight we will touch on various issues, all within the confines of that document, but we are generally going to stay within the area of voting. Some legislation that we have looked at in the past, and I will probably touch upon a little later on, and some legislation that is coming down the pipe fairly shortly, to address some of the issues that people have raised throughout the country with regard to the veracity of past voting patterns in this country.

□ 1945

So at this point, I would like to turn the microphone over to the gentleman from Utah (Mr. BISHOP) for his comments, who I always appreciate Mr. BISHOP's insight.

Mr. BISHOP of Utah. Mr. Speaker, I appreciate the gentleman from New Jersey for helping to organize this, as well as talk about these topics, and every once in a while to take the process that we probably should be doing more often and simply review our actions and see if they deal with some type of philosophical basis.

When the Founding Fathers established this country, they established a Federal system with the understanding that certain powers and responsibilities would be given to the national level and certain powers and responsibilities on the local level.

Now, this was not done in some random process. They took the time to try and figure out which would best fit in which category, realizing there are some tasks of government that naturally would be better done if they were done on a unified level, and certain other responsibilities that would be best performed by local government.

One of those that they decided would be better performed, and I should say best performed, a superlative, by local government was the manner of elections. And they clearly realized that if elections were the purview and responsibility of States that they had a better opportunity of being effective and

less chance of being corrupt in so doing.

Some of our European allies when they restructured their governments after World War II also did the Federal system; and once again they divided powers and responsibilities between national and local levels.

And one of the powers and responsibilities given to the local level, for obvious reasons of effectiveness and lack of corruption, was that of the manner of elections.

The State of Utah, I'm very proud to say, had wonderful registration rolls when I was in the legislature and in a leadership role there, and actually our voter registration I thought was fairly accurate. That's the reason we do have voter registration anyway is to prevent fraud.

In the 1800s, we talked about this wonderful process of everybody voting in America, but we don't really know how many people actually voted, only the number of votes that were tabulated, for we had in history this process or this individual known as a floater who was paid between $5 and $20 per vote. In fact, I have to admit within my own family one of my ancestors was given the day off with pay to vote. He voted in his workplace, took a train and went down to the capitol and voted a second time, and then went home and wrote about how he voted a third time. The reason we have voter registration is to prohibit that today.

I was in the leadership in the legislature when the Federal Government in its wisdom came up with the Motor Voter Act which took our wonderful rolls and registration systems and bloated them beyond compare. When we were able to purge voter rolls after 4 years, we now had to do it after 10 years. When everyone was asked whenever they got a service from the government if they'd like to register, and they couldn't remember if they registered or not, they re-registered them.

If you look at the number of people in Utah who are registered in a State that has the largest percentage of kids of any State in the Nation, the numbers don't fit of those who are registered and those who are simply eligible to vote. So I don't really know what percentage is voting. We're making guesses there.

The greatest thing of all in this entire program is the Federal Government gave us as a State the great privilege and honor of paying for it all ourselves. At that time I was sad the 17th amendment was in place because had it not been there and the State legislature selected senators, I can promise you that bill would have changed or our Senate delegation would have changed.

Then the Federal Government assisted States again while I was still back in Utah with the Help America Vote Act. Now, I have to admit that we in Utah did not have the problem of hanging chads as some certain southern States that will not be mentioned did have. We had a definition of what a vote was and was not, and we looked at every ballot of those punch cards to determine if it was a legal ballot before it was ever run through the system.

Our system was effective, it was efficient, it was cheap; but we complied to the Federal Government's assistance to make everything better with the Help America Vote Act. Now, the Federal Government did give us some money, but certainly not enough to pay for the entire system. So at great expense, the State of Utah and other States changed their election system at the dictate and mandate of the Federal Government. I have to say we may actually probably have a better system, but it's also a much more expensive system.

We now have a proposal given to us by Members of the Democratic side that would force another change in the system that has just established under the Help America Vote Act, another system that requires even my State, which has a paper trail system in place, to change it because we don't have the right kind of paper.

The reality is I think, and I think that the Constitution and our Founding Fathers would tell us, if you really want to have a good election system just get out of the way and let the States fulfill their constitutional responsibility of the manner of election, and there would be greater efficiency and less likelihood of corruption. We should not be micromanaging States. One size does not fit all.

The State of Utah, in a poll conducted by BYU, has a 95 percent competence in our system of government, which if the opposition bill were to pass would have to be totally changed, and we would once again bear the costs and burden of doing that.

Now, I know that our good friend from Iowa (Mr. KING) has another bill in that would probably address many of these issues and many of these problems. I think, Mr. GARRETT, if it's all right with you as the chairman of this caucus, if we were maybe to hear from the gentleman from Iowa at this time to at least express another way of getting around what appears to be another mandate that would change and add significant difficulty to States what they don't need: the heavy-handed help of the Federal Government.

Mr. KING of Iowa. Mr. Speaker, I thank the gentlemen from New Jersey and Utah; and Mr. Speaker, it's a privilege again to address this House and you and talk about the integrity of our voting system that we have here in the United States.

I start my opinion and my view out on this focused long before the year 2000, but really focused on the 2000 election. I recall watching that drama unfold in Florida, and at the time, I was chairman of the Iowa State senate, State government committee, and I knew that it was my job to be sure that Iowa could be set up and structured in such a way that they never became a State like Florida was, going through the throes of those decisions that were being made down there by their State supreme court and ultimately by the United States Supreme Court.

It was an agonizing thing to watch, and I watched it intensively for 37 days in front of the television and my Dish TV, and everything I could pick up in all the print, off the Internet and my telephones. I worked them constantly because I knew the next leader of the free world was going to emerge from the system that Florida had, and that, of course, was the catalyst that created HAVA, the Help America Vote Act.

I came to some conclusions, too. I chased all those rabbit trails on the Internet down to the end, and I uncovered what I believe to be a significant amount of corruption within our electoral system across this country, flat out open, intentional fraud committed in a number of States without a lot of prosecution to back it up, kind of a blind eye.

I will speak one State discovered the laws were set up in such a way if you came in and presented yourself as Joe Smith, and even if Joe Smith was actually working the election board and knew very well that it was his registration you were pointing to and you alleged to be him, Joe Smith himself couldn't challenge the person who presented themselves as Joe Smith because the election laws prohibited challenging the identification of someone whom you know to be misrepresenting themselves. Can't ask for an ID, can't ask for a picture ID. You can't even prohibit them from voting in your name, and you can't ask for a provisional ballot in some States, and those kind of things open up this system.

So I came at this with a little bit different view than I think the gentleman from Utah has from this perspective. Yes, I want the States to have the maximum amount of autonomy. I want to see that in the hands of the States. I don't want the Federal Government to run this; but by the same token, a State that has a faulty electoral system, without true integrity then, also can be the State that chooses the next leader in the free world, which affects all Americans.

So if you could envision a scenario of Florida that resulted in an altered election result for the President of the United States, you can also envision an interest that this Congress has, but it should be very narrow. It should be very limited, and it should be consistent with our constitutional views.

The voter registration that the gentleman from Utah (Mr. BISHOP) mentioned, I looked across the voter registration rolls, Iowa in particular, and found them to be replete with duplicates, deceased, and in our State, like the case of Florida, felons. Duplicates, deceased and felons; and yet there we sat with all that software, that database with all those registered voters, and we couldn't even run that database to sort out when there were duplicates,

just simply leave the registration of the most recent activity. We couldn't even get that done.

I brought legislation through the Iowa Senate that required the Secretary of State to sort that voter registration list to certify that the list be free of duplicates, deceased, and felons and that the Secretary of State certify that they be citizens. Not a very high standard that they should be a citizen of the United States to vote here in America. Those things were all met with the stiffest opposition by the members of the other party, which convinced me that they believed that they had an advantage with a system that was full of those kind of contradictions and integrity, I can put it that way.

I recall running across a significant amount of information that was compiled by the Collier brothers in Florida, and neither of these brothers happen to be alive today, for different reasons I understand. But one of the pieces of their documents, and they did a movie and there's a fair amount of print material out there. They had gone into the warehouse where the vote counting machines, the punch card vote counting machines were stored, and they asked the fellow how is it that you rig a vote here. He said, well, it's simple. He opened the drawer and pulled one of the plastic gears out of there and said we just grind one tooth off of these plastic gears, put them in the voting machine, and that puts in one extra vote for our guy out of every 10 votes that are cast.

Well, that will change most elections, Mr. Speaker. Something that open, that blatant in the annals of the public record of the United States. And so HAVA was passed here in Congress, the Help America Vote Act, all with good intention. I think they went too far with HAVA then and provided a lot of help for the local election boards.

One of the things that they did was require that there be the electronic voting machines; and the purpose of that, one of the foundational reasons for that was so that they could be operated by the blind, which means they need to be able to plug in earphones into that machine so that you can listen to the tones and vote. There were a lot of successes in blind voting with absentee ballots, and that wasn't a concern that ever came to me; but it was an accommodation that actually was a significant component that altered these requirements that came out for HAVA.

So it would be nice to be able to accommodate the blind. They ask for very, very little. By the same token, it opened this system up now where we have electronic voting machines across this country where there is no legitimate means to audit the votes that are recorded on them. We have thousands and thousands of electronic voting machines that simply have a software trail, not a paper trail.

And as I mentioned about how the grinding a plastic tooth off of a plastic gear can change the results of the counting of the ballots, the punch card ballots in a place like Florida and many other places at that period of time, the software can do the same thing. We have something like 900 software engineers that have said that this software can be hacked, it can be altered; and of course I believe it can be.

Now, the most important point of this is one thing is that we to have a lot of integrity in our system, Mr. Speaker. It can be altered, it can be hacked; but if we got to the point where the American people lost their confidence in the integrity of this system, our entire constitutional Republic comes crashing down around us because no one would accept the results of an election. They would challenge it like they do in Mexico, or I was there last month, and the President of Mexico wasn't allowed to even give the state of the union address to their own congress because they had rejected the results of the election, among other reasons.

But here we respect the integrity of our electoral process. We held it together through the 2000 issues, and Florida cleaned up a lot of the things that went on down there. I need to say that for the benefit of my brethren from Florida. But if we ever lost confidence in this system, our entire constitutional Republic is at risk.

So whether there's a Republican majority or a Democrat majority, whether there's a Democrat or Republican in the White House, whether one side dominates the other side, it's important to both sides of the aisle that we have a maximum amount of integrity in our electoral process.

So what I have done is drafted legislation that's called the Know Your Vote Counts Act. It is very simple. It isn't this expansive thing that adds a lot of conditions on and makes it so that the voting machines that are out there now are obsolete and have to be retooled and cost a lot of money. What it does is it requires a paper audit trail in all precincts. So the electronic voting machines that are touchstone or touch key voting machines now can easily be retrofitted with a mechanism that scrolls that ballot out there so you can see it through a piece of Plexiglass, records your vote on it, and touch a button and say, yes, I like that vote, that's how I voted, boom, drops down into the box. That is part of the paper audit trail.

It's that simple. That's the purpose of my bill. The purpose of it is to give that voter the complete confidence that the way they have cast their ballot is also the way that that ballot is recorded on the paper which becomes the audit trail; and then if there is an audit, the paper ballots are counted. That simple.

I mean, in Canada they just put a little X on the piece of paper, count those pieces of paper, and really don't have a lot of problem. We need to have the paper trail because electronically you just simply cannot guarantee an audit trail.

And we've lived with some unreliable audit trails in the past. The old lever voting machines, I don't think any of those are actually functioning at home anymore, but I voted with those old lever voting machines, and I didn't realize at the time that you simply can't really do an audit. You can go back, take it apart, look at that entire paper scroll that's back there, but you really can't do a legitimate audit.

And when something falls apart, when you have a meltdown, when you have a software failure or a hardware failure or you simply have a challenge to the integrity of the system, you have no way, Mr. Speaker, of knowing whether the electronic record that may remain on that hard drive, no matter how many redundancies you put into it, you can never assure that it hasn't been hacked.

As much as you want to trust the system, you still can't be sure of that. The only thing that you can trust is paper. We designate paper to be the trail. We stay out of the business of the States beyond that, but I believe it is to the interest of the Federal Government and the Congress and the people in this country to go to that step to ensure that when the next leader of the free world is selected that it is done with a process that has a maximum amount of integrity and the minimum amount of imposition of regulations on the States.

□ 2000

One of these pieces of the whole bill versus the Know Your Vote Counts bill that is the King bill is that it requires also that not only there be a paper audit trail but that the machines spit out a receipt that tells you how you voted.

Once you walk out of the room with your little receipt like your credit card receipt that says here is how you voted, it has absolutely no connection to the process in the voting booth. It does you no good. It is simply an expensive component and serves no purpose, except I will say that there is no machine that is manufactured anywhere that I know of certainly in the world, certainly in the United States, that at this point can comply with the language that is in the whole bill.

So I am submitting, Mr. Speaker, the bill that is Know Your Vote Counts Act. It is a very, very simple bill that simply requires a paper ballot to be generated, and that that paper ballot be verified by the voter, and that that paper ballot becomes the audit trail. It is that simple. It is something we need to do. This is 2007.

So I thank you for your attention, Mr. Speaker, and I yield back to the gentleman from New Jersey.

Mr. GARRETT of New Jersey. And I appreciate the gentleman, if he has time for some queries on it as well.

Mr. KING of Iowa. Of course.

Mr. GARRETT of New Jersey. First of all, let me say I am impressed by

your opening comment, and I guess this is just a typical reflection of your dedication to an issue. Your opening comment was you began to look at this issue back in the year 2000, and here we are at 2007. And knowing your dedication to this issue, to the way you handle matters is that you have been looking at it ever since then and investigating it to make sure that you come up with the very best answer. So I commend you for that. This is just reflective of how you handle just about every issue that I have ever known you to deal with, that you stick onto it early on and then stick with it right to the end.

Before I play a little of devil's advocate with you on this, if I may, the gentleman from Utah is probably a better historian than I am. But it is interesting, when we talk about paper ballots and ballots in general, people today probably have somewhat of a misconception about the veracity or accuracy and the legitimacy, I guess you might say, of past elections in this country, way before we had those electronic machines today or the mechanical machines that you were referring to earlier. I know the stories from reading textbooks and school books and what have you is that election days in this country years ago were celebratory days more so than they are today. Nowadays, we have to really push people to the polls. Years ago, it was something people, I don't want to say, spontaneously wanted to do, but they actually were more excited about it.

Although, one of the ways I understand that they were encouraged to come to the polls was through town celebrations. And that is, in the county seats or that sort of thing, the candidates who were running for office would host large parties, and what would happen is people would come from the countryside and the hillsides and what have you into the county seat where they would be voting. And this would be a large celebration where food and beverages, I suppose adult beverages, as Rush Limbaugh would say, would be served, what have you, so it would be a celebratory time. People would come in and they would vote, and they would vote with, back then of course all there was was paper ballots, and many times the paper ballots were color coordinated paper ballots. And so if you were voting for STEVE KING in that election, you might be voting with a blue ballot, and if you were voting for SCOTT GARRETT, you might have the brown ballot. So it would be a way that actually going into the election booth there was no secrecy to it, because you would be getting your brown ballot from the Garrett campaign or the blue ballot from the King campaign, and you would be going in. And that would also indicate which party, literally, which party you came to, and then you would put it into the election box.

I don't know whether the gentleman from Utah knows those stories as well.

Mr. BISHOP of Utah. If I could just add a couple of those to it. It is true. When George Washington was first elected to the House of Burgess, he bought a round of drinks for all the supporters. And my students would obviously wonder, well, how do you know who his supporters were? The idea of a secret ballot is a pretty modern concept. In the good old days, when you came into the town centers you said, and when the vote was counted and they asked how many were for George Washington, they stood up. He saw who was voting for him; he knew they were there. Everything was an open process at that particular time. And that is why in England you stand for election; you don't run like we do. Because literally you could come up there in the election and you would have to stand for the election.

I used to watch these cartoons on Thomas Nast right after the Civil War. I saw one where there was this globe for which one Union soldier was reaching, I had no idea what it was, it was a clear crystal ball, until I realized what he was reaching for was a ballot box which was clear. And the gentleman is right, you would get a ballot from a campaign; you would go in there, and you would deposit your colored ballots so everyone knew. In fact, in New York City at one time, in case they were color-blind, they would perfume their ballots so you could smell it if you couldn't see it. But the idea of a secret ballot is something that is just recently here.

Mr. GARRETT of New Jersey. And on that point, how this ties in besides a history lesson, which I think is important as well, how it ties into one of your comments was one of the suggestions that has been made, and you touched upon it, was with regard to a paper ballot today would be either simply that you would have a single paper ballot that you would take with you when you leave, and that would be the only receipt. Or, I think you suggested both. In other words, a paper ballot would be made and printed that would go into a locked box, plus you would get a receipt to confirm how you voted. So there would be two.

The dilemma with either scenario, where you take a ballot out with you, goes back to what we are referencing right here. Now when you leave the poll, you have some document to prove how you just voted. Now, not to suggest that anyone in this day and age is paying people to vote, although we have heard such accusations, but of course without any documentation, someone can say, well, here is $25 to you if you will vote for my candidacy in the election. And of course the guy will take the $25 and come out of the election booth and say, ''Don't worry, I voted for you,'' and there is no proof that you did. If, however, there is a paper receipt, now you can come back and say, ''Well, here is the proof that I just voted for you or your candidate. Give me my $25.'' Or whatever the going rate may be in certain cities or elsewhere to confirm that I did. So I am not sure whether you have ever heard of that dilemma with that.

Mr. KING of Iowa. If the gentleman would yield. I think you have made the most salient point about the flaw in the whole bill, which there are two pieces of paper generated with every ballot. One of them becomes the audit trail that you can see through the Plexiglass, and when you push the button and say, I accept this as my vote, and it drops down into the lock box for the audit trail. And then of course the chain of custody of all of that is another subject we can talk about.

But to walk out of there with a receipt that says ''I voted this way'' does open up the door for the walking around money that we know goes on in some of these precincts to be handed over in exchange. And I can see where subcontractors could be hired to work within the neighborhoods, that you would pay a commission on how many ballots or how many receipts you could collect, so many dollars a vote. And you could say, okay, it is $20 for a vote and my commission is 5 bucks. So $25, $5 of which the contractor would get; that opens up the door for all kinds of vote buying. And that is the strongest, most compelling reason to reject the whole bill. And I will have this bill in and it will be available for Members to sign on to, and hopefully we can move it on the Know Your Vote Counts Act. It is a very much more narrow bill.

But there was another component that I left out of that in my earlier piece that I just want to inject into this discussion briefly. And that is, I said that we needed to have voter registration lists that are free of duplicates, deceased, and felons, and, that the registrants be certified to be citizens on that list. But also, the requirement for a picture ID. I mean, they do that in places like Venezuela, a picture ID to go and vote, and that is a method by which you match up the name with the name on the registration. It is a small thing to ask for. And when I advocated for that, I ran into the opposition that said, well, no, that is a poll tax because everybody doesn't have a picture ID. My grandmother doesn't have a driver's license; therefore, she doesn't have any way to identify herself with a picture on it.

Well, I would argue that the Department of Transportation will issue one of those picture IDs for $5. But then that is charged to be a poll tax. And every argument will work in any port in a storm, but if you want integrity, those are the things you have to do.

Mr. BISHOP of Utah. I appreciate what you just said, because almost everything you are trying to explain in kind of a system that would work happens to be exactly what we are doing in the State of Utah without having the Federal Government tell us how to do it. So we do have that voting system where you do see the paper ballots there, and you look at the paper trail

that is there as well as the actual touch screen, and you are asked if the paper is what you want. You don't take it with you, but it is there as part of the audit trail.

And we actually do require picture IDs when you come into vote. And even I, in my voting district, in fact literally the lady who lived across the street from me was there and I still had to produce a picture ID before I could get my card to go vote.

One of the problems, though, that I see and one of the reasons why we need an alternative to what the bill that came out of the committee is, simply, even the State of Utah would have to change its process, even though we are doing exactly what they want, because it doesn't fit the kinds of machines that are mandated, it doesn't fit the kind of paper that was mandated, it doesn't fit the kind of audit process that is mandated. This bill tells you what to do with long lines, it tells you what to do with provisional ballots, it tells you what to do with recounts, and it says you have to do it now.

And that is one of the reasons why I am grateful there are some other options out here, because the bill that may be on the floor, the bill that did come out of the committee, the bill is simply flawed in many ways, and it is simply flawed because, once again, it has the mindset that the Federal Government is going to tell you how to do things in the most intricate way of micromanagement. And that is one of the flaws we have. This country is never supposed to be micromanaged from this body.

Mr. GARRETT of New Jersey. And the gentleman from Utah made a passing reference to the 17th amendment earlier on, and then I will yield back to the gentleman from Iowa. But just to illuminate on that point, originally the Founding Fathers of course intended that the other body, the Senate, would be elected not by direct vote but by the legislators of those States. And the idea behind that was probably to address the point that the gentleman from Utah just made; that the various States, such as Utah, which is probably ahead of the curve in just about every facet of running a government that we have seen so far, based on his testimony and previous evenings, the State of Utah prior to the passage of the 17th amendment would have elected their U.S. Senators through their State legislators. That Senator many times would have come from the Utah State Legislature prior to coming to Washington, would know what Utah was doing, and would have a personal stake or a local interest in maintaining the integrity and the sovereignty of that State. Likewise, from Iowa or New Jersey as well.

Obviously, the 17th amendment changed that, so now the U.S. Senators are now directly elected by the citizens of the respective States, and you break that bond between the sovereign issue that a legislature may have had. And you may have seen that reason on this issue coming from the bill from the other side of the aisle that we are talking about here, or some of the other issues that we have talked about on the floor as well as Congress begins to exceed its bounds and actually sees no bounds with regard to our control in every aspect of our lives.

Earlier today, just to digress for a moment, we voted on the flood insurance bill and we were going to expand into a wind map plan and for wind insurance as well. Basically, the Republican side of the aisle voted ''no'' on that bill, primarily because they said we would be exercising outside and pushing pressures on the economic forces that are already there providing that coverage. And really, the question is as I said at outset of my opening comments, and they often do when you put your card in here to vote is, does the Congress have that authority? Prior to the 17th amendment, a U.S. Senator would say, no, we have that authority in our own States to handle the regulation, whether it is insurance or otherwise, and want to confine ourselves to confine the Congress or the Senate to the areas that the Founding Fathers intended. Voting, of course, is a carefully construed area in the Constitution, and I will just close on this before I yield back to the gentleman.

Earlier, there was another issue, and I know the gentleman spoke quite a bit on this issue several months back. This House had another heated debate, if you will, when it came to a voting issue, and that was whether or not we would give voting rights to the citizens here of the District of Columbia, and I know the gentleman from Iowa also, I believe, came to the floor and spoke extensively on that topic.

□ 2015

And the answer to that issue, as much as the other side, just as on this issue, just as the other side would like to stand up on this issue and say, well, we have the infinite detail and plan to the finite level to the Nth degree on how to do this issue that we have before us today as far as every little nook and cranny has to be covered on voting. They said the same thing when it came to the D.C. voting rights as well. We know what is best and how to implement that program and voting rights for the District of Columbia,

And well, may they should or may they did; what they didn't seem to do with that one, nor apparently did they do in this case as well is look, as you and I would suggest they probably should have, and I think you discussed it at the time, to a copy of the U.S. Constitution. And had they done so, they would have realized on that issue, I'm not going to redebate that issue, but had they done so, they would have realized that the Constitution specifically addressed the issue of the District of Columbia and how it should be set up and how the control of the District would be. The Constitution also defined who is a citizen in terms of voting and who is a representative and that he would come from a State. And of course this is not a State. So all you really have to do on many of these cases is look to the terms of the Constitution, and they begin to answer some of these questions.

But I have a question for the gentleman from Iowa, again just to look at some of the finer points to it. You raised the issue of actually having a piece of paper, a trail, if you will, and you raised the question whether or not we can trust the electronic aspect of the machines and what have you. Just to be the proverbial Devil's advocate with you, some people would suggest that, well, for our entire financial system in this country nowadays, we look to electronic transfers and what have you and we rely on that nowadays, as opposed to paper ballots or paper documentations.

And likewise, there is another suggestion in this area, whether it comes from Congress or it comes from the States, as opposed to a paper ballot, but an electronic receipt, if you will. And I'll just give you one of these and then I will close.

One of the suggestions for an electronic receipt would be not a written message that I just voted for a Steve King, but an electronic voice activation message that I just voted for Steve King. So instead of going into the ballot booth, and I don't know whether the gentleman's ever heard of this proposal before, and pushing the button and clicking down on a piece of paper, electronically it would record and you would hear, vote for Steve King for U.S. Senate.

Would you see any of those as alternatives to this as we move into the electronic age to be an equal or sufficient record?

Mr. KING of Iowa. Well, Mr. GARRETT, first, I think in terms of if I needed to follow an electronic trail of, let's say, if I made a deposit that was an electronic deposit into, maybe it was an electronic automatic deposit into my bank, and the distributions that went out from automatic payments that go out of the bank, and in conjunction with credit card bills that flow around the country and come back, a full electronic trail, I have not run into an experience where I can't actually track all of that money, because someone is accountable at every level.

If the deposit doesn't show up in an automatic deposit, I can go back to the people that were to make that deposit, say, do that in the form of a paycheck or a purchase item. Well, where's your distribution record? Where's your transfer records? And if they don't have any, one can presume they never transferred the electronic deposit into my account. If there's money missing from my account, I can track and see where did it go. But I can have that confidence of doing that through the banks, through the credit cards without a lot of problem.

But we never know. We never know how a person actually votes. That secrecy of the way you vote cannot be tracked. Once you walk out of that voting booth, there's no connection between the voter and the actual ballot that was cast. So that requires a different level of integrity. And as far as an audio receipt that would say to you I just cast a ballot for SCOTT GARRETT, I ask, do you agree with that and push enter and walk out of there, the audio receipt that you might hear or electronic receipt that you might hear, does not preclude a hacking that could register a different kind of result. Those are the reasons why I track an audit trail, a paper audit trail.

And I would submit also that this bill that I have, the Know Your Vote Counts Act, is very, very simple language. And I want to applaud the folks in Utah and anyone who's mirrored their leadership for the integrity that they've put into their system with a picture ID and a paper audit trail. But it simply says the system shall provide an auditable paper record showing the vote that was cast and recorded by the system. And so the paper is the audit trail. And we don't prescribe how that is actually transferred, the records are transferred. That's also part of the whole bill. Requires certain methods of transfer of those records from the precinct on to the county and there on. We don't interfere in that. We just say, paper audit trail. Produce it. You can retrofit the existing machines.

I actually like the optical scanning ballots where you fill in the dot. And those have the, as far as my understanding of the technology, and I have looked at a lot of it, the highest level of accuracy. And we also have the auto mark ballots that will take the ballot, the paper ballot on the screen and you can push the button and it'll actually fill in the dot on the paper, and then that paper becomes the audit trail as it goes through the scanning device and counts the ballots.

So I'm for those things that are simple. But I do also know that human beings are fallible, and we need to have an audit trail for the machines that might well fail us and the people that might well fail us, and we need the highest accuracy that we can get. I think this bill provides this. And I do think they've got to get it right in Utah. Of all the things I've written for letters and articles, I must have sent one out there some time a long time ago and you guys picked up on that. No. I really want to compliment Utah. You've driven that yourselves for good reason, and I appreciate that, and I appreciate the fact that you have yielded to me, Mr. GARRETT, and I'd yield back.

Mr. GARRETT of New Jersey. I appreciate the gentleman from Iowa and your comments as well. And at this point I would like to yield sufficient time as she will consume to Ms. FOXX.

Ms. FOXX. Thank you so much. I appreciate the leadership that the three of you have given to this issue tonight and appreciate the opportunity to be involved with this discussion. I'm so pleased to be a part of the Constitution Caucus and am glad that we have the opportunities that we have to bring up issues as they relate to the Constitution and to provide an alternative. And we've had lots and lots of opportunities in this session of the Congress so far.

I appreciate your mentioning voting rights for the citizens of D.C. I think that that bill having passed out of the House has to be one of the worst things that's happened in this House in a long time because it's so clearly unconstitutional. And I think, again, that it's up to us constantly to be reminding the people of this country and the people of this body that we take an oath to uphold the Constitution, and that is our primary responsibility. And when Members of this House don't follow their oath, then it's important for us to talk about it.

I am opposed to H.R. 811 for many reasons. I support its main goal, which is to create a paper trail. I think having a verifiable record of how a person voted is important. But this bill is extraordinarily flawed. Number one, it creates several new mandates on States before the 2008 election. It forces States to meet totally unrealistic time lines that cannot be met. It's an example, again, I think, of the arrogance of this body in this session. I think that one of the things the Framers of the Constitution and the Founders of this country feared so much was too much control by the Federal Government.

And what we are seeing happening in this session of the Congress is more and more control being taken over by the Federal Government, and more and more decisions being pushed into Washington, as opposed to being pushed into the State, or being left at the State and local levels. And my colleagues have talked a little bit about that as it relates to different States have given some historical background on how things have been done in the past. But I think, again, it's important that we acknowledge that our government governs best that governs least. And the more decisions that we leave at the local and State levels, the better off this country's going to be. And if we know that, we know by numbers too. We don't even have to try to prove it from a philosophical level.

Twenty-seven States, including North Carolina, that I represent, have already implemented their own paper trail system, and another 13 are currently considering legislation. We should allow the States to do this and do it the way they need to be doing it. I have heard nothing but negative comments about this bill. Nobody has contacted me asking me to support it. And many groups that have a vested interest in this issue have contacted us. Most of us have been contacted by the Election Technology Council, and they've said that it would take 54 months for proper research development and implementation on machinery requirements to get this bill into effect, and there's only going to be 15 months.

We've had problems since 2000 in terms of verifying various elections in this country. This bill would be a nightmare if it were to pass, because the local election boards would have great difficulty with implementing it, and it would call into question all kinds of elections, I fear, and create chaos at the local level. We don't need that. The feeling of the American people right now toward Congress is, their opinion of us is the lowest it's ever been. And we don't need to be doing things to give them an even lower opinion of ourselves. What we need to do is get out of the way and not engage ourselves in activities that we have no business being engaged in. This is not something that we need to do from a point of view of the Constitution. It is something that should be left at the local level. It is not something that we need to do in terms of financing. It's going to be a very, very expensive proposition. We do not need to be adding to the deficit. We don't need to be doing any more Federal spending than is absolutely necessary. And we need to show the American people that we don't think that we should be running everything out of the District of Columbia when we have State and local officials perfectly capable, much more capable than we are to do this. We don't need to take away the ability of the locals to determine their needs.

And, again, I want to thank my colleagues for starting this conversation here tonight and getting it going to explain to people why many of us are concerned about H.R. 811. Even though we want verifiable evidence of a person's vote, this is not the right way to go, and we need to look for alternatives to this.

Mr. GARRETT of New Jersey. And I thank the gentlelady. And as our time comes to a close here shortly, I'd just like to say I appreciate her comments and also to say she hits on the point directly as far as the role and appropriate breadth and scope of the Congress, the Senate, and the Federal Government. You know, the U.S. Constitution, article I, section 1, the very beginning of the Constitution sets forth the parameters, if you will, of the role and responsibilities of the Federal Government. They are then, that point is reinforced in a couple of different ways, actually, when you think about it, both there and at the end. There it's reinforced in the section in as much as article I, section 8 sets out specifically what are the appropriate roles, and it delineates what the appropriate roles are for the Federal Government.

And an interesting thing there, and I don't want to go into too much detail on the verbiage of the Constitution here tonight as it's getting late, but many people often look to critics on the other side on this point, and on article I, section 8 say, well, in there is

what is called the general welfare clause, and for that reason, Congress has the right and ability to move on and act on any sort of issue that they want to.

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But a closer study of the Constitution points out that the article I section 8 general welfare clause comes before the delineation of the specific points and authority granted to the Federal Government. That is at the beginning of the Constitution. At the very end of the Constitution, at least back in 1787 and a couple years after that with the adoption of the first ten amendments, which eventually we call the Bill of Rights, the 10th amendment, of course, is the one germane to this discussion and all of our discussions on the floor with regard to the Constitution and the role of Congress, and that is that it says all rights not specifically delegated to the Federal Government are retained by the States and the people respectively, which those two points tied together reinforces the gentlewoman's comment that we have to be careful as far as the role of the Federal Government in these areas.

So it is appropriate that when we look to the bill that comes from the other side of the aisle on this issue of voting, which is so expansive in scope as far as its authority that it is trying to impose and so restrictive at the same time as far as what they are allowing the States to do, it is appropriate for us to come and discuss that issue and debate that issue to find out if there is not a better way. And that's why I very much appreciate the gentleman from Iowa's being with us tonight.

I see the gentleman from Iowa is back with us again, and I yield to him.

Mr. KING of Iowa. Madam Speaker, I thank the gentleman from New Jersey's yielding.

I just had a lingering question that I wanted to pose to the chairman of the Constitution Caucus, that being the issue that was raised here a half hour or so ago, Madam Speaker, and that is the issue of the electors who are chosen. And I would ask the chairman if he would opine on as to whether the electors are bound to vote as directed by the voters within the State or are they bound to vote according to their own conscience if push comes to shove? And do you know of instances where the electors have actually broken their faith with the voters and voted the opposite way within the States?

Mr. GARRETT of New Jersey. In as much as the gentleman is raising the question, I have anticipation that he has specific examples in mind that he is going to cite. But I believe there have been specific examples when electors have decided to go their own way and not be bound by their electorate.

Mr. KING of Iowa. And I would concur with the gentleman from New Jersey, Madam Speaker. My recollection, and it is not recent research but dustbin recollection, honestly, of several instances where the electors, when formally casting a ballot for the presidency, have broken their faith with the voters, broken their pledge, and voted the opposite way. Not enough in our history to compel us to make that a mandatory vote, but enough of it in our history to ask us to be vigilant about that particular vulnerability, because that hangs upon the integrity of those who were chosen as electors who formally cast that ballot for President of the United States and could, if there were a small group or, under certain circumstances, even one of them that decided to take the destiny of the country and ultimately the world in their own hands, flip their vote the other way.

This system that we have, though, I appreciate a great deal. I know there has been an initiative more than once that has been offered generally, or, in fact, in all cases that I know of, from the Democrat side of the aisle to turn this Presidential election into a popular ballot as opposed to an electoral ballot. And I for one think that would be a horrible circumstance if we have such great difficulty down to 527 votes in a State like Florida with recount after recount.

And, by the way, history has established clearly that it was a proper result. All of the recounts, including the Miami Herald's audited analysis of that, came to the same conclusion that it was a Bush victory in 2000 over Al Gore.

Still, if we had a popular ballot for the United States, we wouldn't be able to settle the ledger for each State, for example. We would simply have tens of millions of votes all cast into one pot, and you could come down to one vote in the end. And it would be impossible, I believe, to do an audit trail of all of those ballots and come out with a national consensus on a popular vote. And as the President said, if he would have needed to win the popular vote in 2000, he would have campaigned to win the popular vote in 2000. But he campaigned to win the electoral vote because that's the rule that we operate under. And I think the Founding Fathers had a significant amount of wisdom and foresight to give us this electoral system.

No system is perfect, but this system does have a slight vulnerability, and that is the integrity of the electors themselves and then the integrity of the electoral process, which is significantly, I believe, more vulnerable. So that is why I advocate the Utah plan for the States in America and the No Your Vote Counts Act nationally so that we can have a paper audit trail to keep the integrity up so that people can have confidence and stand behind this system so our constitutional Republic will last for another couple of centuries anyway.

Mr. GARRETT of New Jersey. Reclaiming my time, I agree with that and I appreciate that.

And I think that the seminal answer to your question of what was in the minds, if you will, of the Founding Fathers when they created the Electoral College was if they wanted the electors to have freedom to make that decision so it was their own wisdom that would be decided on the day of the casting of the ballot, which is what I believe that the Founders intended. Their alternative would have been to say, no, that you are bound by however you were elected. Well, if you were going to be bound by however you were elected, then in reality there's no need to actually have a person there to make that decision to cast the ballot. The Constitution would have been worded completely differently to say that, in effect, it was not an automaton but an automatic collection of all the votes. The majority of votes would not go to a specific elector, Steve King, but the majority of the votes would then therefore go to that candidate, whoever those electors are specifically delegated to vote for, whom they were representing. In other words, you would not need to elect a delegate, an elector, if he was going to be bound without any discretion.

I think the Founding Fathers realized that still within the confines of the limited amount of times that the electors, within the terminology of the Constitution, had to actually vote following the popular vote, there was still that flexibility that they could consider whatever changing moment the times may have necessitated them to do.

And of course, also, the other aspect of that that you didn't get into is the election of the Vice President and how the electorals play in that as well.

Mr. KING of Iowa. If the gentleman would yield, and I know we only have 2 minutes left, in that era, also, it wasn't contemplated that there would be essentially a two-party system that would so polarize the opinions on who should be the next President of the United States. I think the Founders envisioned more flow and flexibility between the two competing philosophies that were there surely and that we have in this day that are more distinct.

Mr. GARRETT of New Jersey. And you're absolutely right. You think about John Quincy Adams, who was first in Congress and then President, and then went back to sitting in Congress once again after he served as President. I think he was the only one that ever did that, and I cannot imagine any President today leaving the White House.

Mr. KING of Iowa. If the gentleman would yield, John Quincy Adams has given me a significant amount of comfort the times that I have been in the small minority on the losing side of the votes here on the floor because he said, ''Always vote for principle, though you may vote alone. You can take the sweetest satisfaction in knowing that your vote is never lost.'' John Quincy Adams, a man of principle.

Mr. GARRETT of New Jersey. He is. And I guess we should close on that quote. And again, I appreciate the gentleman from Iowa's coming.

And with that, Madam Speaker, I appreciate the opportunity to be on the floor this evening.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate agrees to the amendments of the House to the amendments of the Senate to the bill (H.R. 976) ''An Act to amend the Internal Revenue Code of 1986 to provide tax relief for small businesses, and for other purposes.''.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CONYERS (at the request of Mr. HOYER) for today after 2 p.m.

Mr. KLINE of Minnesota (at the request of Mr. BOEHNER) for today after 5 p.m. on account of a family commitment.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. WOOLSEY) to revise and extend their remarks and include extraneous material:)

Mr. CUMMINGS, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. WATERS, for 5 minutes, today.

Mrs. MCCARTHY of New York, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. DELAHUNT, for 5 minutes, today.

Ms. SCHAKOWSKY, for 5 minutes, today.

(The following Members (at the request of Mr. JONES of North Carolina) to revise and extend their remarks and include extraneous material:)

Mr. POE, for 5 minutes, October 4.

Mr. JONES of North Carolina, for 5 minutes, October 4.

Mr. LAMBORN, for 5 minutes, today.

Mr. DREIER, for 5 minutes, today.

## SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2085. An act to delay for 6 months the requirement to use of tamper-resistant prescription pads under the Medicaid program; to the Committee on Energy and Commerce.

## ADJOURNMENT

Mr. GARRETT of New Jersey. Madam Speaker, pursuant to the order of the House of today, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until Monday, October 1, 2007, at 12:30 p.m., for morning-hour debate.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3497. A letter from the Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule — Rules Relating To Review of National Futures Association Decisions in Disciplinary, Membership Denial, Registration and Member Responsibility Actions (RIN: 3038-AC43) received September 12, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3498. A letter from the Director, Regulatory Review Group, Department of Agriculture, transmitting the Department's final rule — Emergency Conservation Program (RIN: 0560-AH71) received September 17, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3499. A letter from the Administrator, Risk Management Agency, Department of Agriculture, transmitting the Department's final rule — Common Crop Insurance Regulations; Millet Crop Insurance Provisions (RIN: 0563-AC12) received September 17, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3500. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Potato Cyst Nematode; Quarantine and Regulations [Docket No. APHIS-2006-0143] (RIN: 0579-AC54) received September 12, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3501. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Bovine Spongiform Encephalopathy; Minimal-Risk Regions, Importation of Live Bovines and Products Derived From Bovines [Docket No. APHIS-2006-0041] (RIN: 0579-AC01) received September 19, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3502. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Congressional Notification of Architect-Engineer Services/Military Family Housing Contracts (RIN: 0750-AF41) received September 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3503. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Technical Data Rights (RIN: 0750-AF70) received September 12, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3504. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Emergency Acquisitions (RIN: 0750-AF56) received September 12, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3505. A letter from the Liaison Officer, Department of Defense, transmitting the Department's final rule — Limitations on Terms of Consumer Credit Extended to Service Members and Dependents [DOD-2006-OS-0216] (RIN: 0790-AI20) received September 12, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3506. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Acquisition of Major Weapon Systems as Commercial Items (RIN: 0750-AF38) received September 12, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3507. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Limitation on Contracts for the Acquisition of Certain Services (RIN: 0750-AF69) received September 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3508. A letter from the General Counsel, Federal Retirement Thrift Investment Board, transmitting the Board's final rule — Privacy Act Regulations, Periodic Participant Statements and Court Orders and Legal Processes Affecting Thrift Savings Plan Accounts — received September 10, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Oversight and Government Reform.

3509. A letter from the Regulatory Contact, National Archives and Records Administration, transmitting the Administration's final rule — NARA Reproduction Fees [FDMS Docket No. NARA-07-0001] (RIN: 3095-AB49) received August 22, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Oversight and Government Reform.

3510. A letter from the Director, Office of Management and Budget, transmitting the Office's final rule — Pay Administration Under the Fair Labor Standards Act (RIN: 3206-AK89) received September 17, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Oversight and Government Reform.

3511. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule — Nonforeign Area Cost-of-Living Allowance Rates; U.S. Virgin Islands (RIN: 3206-AL12) received August 22, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Oversight and Government Reform.

3512. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule — General and Miscellaneous (RIN: 3206-AJ97) received August 22, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Oversight and Government Reform.

3513. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule — Awards (RIN: 3206-AJ65) received August 22, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Oversight and Government Reform.

3514. A letter from the Acting Director Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Western Regulatory Area of the Gulf of Alaska [Docket No. 070213032-7032-01] (RIN: 0648-XB86) received September 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Natural Resources.

3515. A letter from the Chief, Publications and Regulations, Internal Revenue Service,

transmitting the Service's final rule — 26 CFR 31.402(q): Return of information on proceeds from poker tournaments (Also: 3406) (Rev. Proc. 2007-57) received September 5, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3516. A letter from the Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — 26 CFR 301.6402-1: Authority to Make Credits or Refunds (Also: 1.6411-3) (Rev. Rul. 2007-51) received September 5, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3517. A letter from the Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — 26 CFR 1.6411-2T: Computation of Tentative Carryback Adjustment (Also: 6402, 26 CFR 1.6411-3T) (Rev. Rul. 2007-53) received September 5, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3518. A letter from the Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — 26 CFR 301.6402-1: Authority to Make Credits or Refunds (Also: 1.6411-3) (Rev. Rul. 2007 -52) received September 5, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3519. A letter from the Chief, Publications and Regulations, Internal Revenue Service, transmitting the Service's final rule — 26 CFR 1.893-1: Compensation of Employees of Foreign Governments or International Organizations (Rev. Rul. 2007-60) received August 31, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CONYERS: Committee on the Judiciary. H.R. 2740. A bill to require accountability for contractors and contract personnel under Federal contracts, and for other purposes; with an amendment (Rept. 110–352). Referred to the Committee of the Whole House on the State of the Union.

Mr. CONYERS: Committee on the Judiciary. H.R. 400. A bill to prohibit profiteering and fraud relating to military action, relief, and reconstruction efforts, and for other purposes; with an amendment (Rept. 110–353). Referred to the Committee of the Whole House on the State of the Union.

Mr. WAXMAN: Committee on Oversight and Government Reform. H.R. 928. A bill to amend the Inspector General Act of 1978 to enhance the independence of the Inspectors General, to create a Council of the Inspectors General on Integrity and Efficiency, and for other purposes; with an amendment (Rept. 110–354). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELAHUNT: Select Committee to Investigate the Voting Irregularities of August 2, 2007. Interim Report of the Select Committee to Investigate the Voting Irregularities of August 2, 2007 (Rept. 110–355). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. CONYERS (for himself, Ms. LINDA T. SÁNCHEZ of California, Mr. CANNON, Mr. BOUCHER, Mr. WATT, Mr. ISSA, and Mr. SENSENBRENNER):

H.R. 3678. A bill to amend the Internet Tax Freedom Act to extend the moratorium on certain taxes relating to the Internet and to electronic commerce; to the Committee on the Judiciary.

By Mr. CONYERS (for himself, Mr. CANNON, Mr. BOUCHER, and Mr. FRANKS of Arizona):

H.R. 3679. A bill to prohibit discrimination in State taxation of multichannel video programming distribution services; to the Committee on the Judiciary.

By Mr. MCDERMOTT (for himself, Mr. BRADY of Texas, Mr. TANNER, Mr. SAM JOHNSON of Texas, Ms. BERKLEY, Mr. PORTER, and Mr. MEEK of Florida):

H.R. 3680. A bill to amend the Internal Revenue Code of 1986 to extend the deduction for State and local sales taxes; to the Committee on Ways and Means.

By Mr. BOOZMAN (for himself and Ms. HERSETH SANDLIN):

H.R. 3681. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to advertise in the national media to promote awareness of benefits under laws administered by the Secretary; to the Committee on Veterans' Affairs.

By Mrs. BONO:

H.R. 3682. A bill to designate certain Federal lands in Riverside County, California, as wilderness, to designate certain river segments in Riverside County as a wild, scenic, or recreational river, to adjust the boundary of the Santa Rosa and San Jacinto Mountains National Monument, and for other purposes; to the Committee on Natural Resources.

By Mr. HAYES (for himself and Mr. SPRATT):

H.R. 3683. A bill to direct the Consumer Product Safety Commission to investigate the potential safety dangers in children's clothing and to promulgate any necessary consumer product safety rules regarding such clothing; to the Committee on Energy and Commerce.

By Mr. MCINTYRE (for himself, Mr. HAYES, Ms. SLAUGHTER, and Mr. KUHL of New York):

H.R. 3684. A bill to enhance reciprocal market access for United States domestic producers in the negotiating process of bilateral, regional, and multilateral trade agreements; to the Committee on Ways and Means.

By Mr. FRANK of Massachusetts (for himself, Ms. PRYCE of Ohio, Mr. SHAYS, Mr. ANDREWS, and Mr. GEORGE MILLER of California):

H.R. 3685. A bill to prohibit employment discrimination on the basis of sexual orientation; to the Committee on Education and Labor, and in addition to the Committees on House Administration, Oversight and Government Reform, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FRANK of Massachusetts (for himself, Mr. SHAYS, Mr. ANDREWS, and Mr. GEORGE MILLER of California):

H.R. 3686. A bill to prohibit employment discrimination based on gender identity; to the Committee on Education and Labor, and in addition to the Committees on House Administration, Oversight and Government Reform, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. SCHAKOWSKY (for herself, Mr. GRIJALVA, Mr. DAVIS of Illinois, Mr. GONZALEZ, Ms. CARSON, and Mr. RUSH):

H.R. 3687. A bill to provide lawful permanent resident status to the immediate family members of military service personnel serving in Iraq or Afghanistan; to the Committee on the Judiciary.

By Mr. HOYER (for himself and Mr. BOEHNER) (both by request):

H.R. 3688. A bill to implement the United States-Peru Trade Promotion Agreement; to the Committee on Ways and Means.

By Mr. BERMAN (for himself, Mr. HALL of Texas, Mr. BURTON of Indiana, Mr. ISSA, Mrs. DAVIS of California, Mr. RADANOVICH, Mr. WOLF, Ms. LEE, Mr. MCDERMOTT, Mr. MCNULTY, Mrs. TAUSCHER, Mrs. MCCARTHY of New York, Ms. DELAURO, Mr. FARR, Mr. CLEAVER, Mr. WEINER, Mr. HONDA, Mr. PATRICK MURPHY of Pennsylvania, Mr. RUSH, Mr. GENE GREEN of Texas, Mr. ISRAEL, and Mr. KING of New York):

H.R. 3689. A bill to amend the Public Health Service Act to authorize the Director of the National Cancer Institute to make grants for the discovery and validation of biomarkers for use in risk stratification for, and the early detection and screening of, ovarian cancer; to the Committee on Energy and Commerce.

By Mr. BRADY of Pennsylvania (for himself and Mr. EHLERS):

H.R. 3690. A bill to provide for the transfer of the Library of Congress police to the United States Capitol Police, and for other purposes; to the Committee on House Administration, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. DELAURO (for herself, Ms. DEGETTE, Ms. SCHAKOWSKY, Ms. SUTTON, Mr. ALLEN, Mrs. MCCARTHY of New York, Mr. HALL of New York, Mr. LARSON of Connecticut, and Mr. COURTNEY):

H.R. 3691. A bill to reauthorize and improve the Consumer Product Safety Act; to the Committee on Energy and Commerce.

By Mr. ENGEL (for himself, Mr. BURTON of Indiana, Mr. LANTOS, Ms. ROS-LEHTINEN, Mr. MEEKS of New York, Mr. HASTINGS of Florida, Mr. PAYNE, Ms. MCCOLLUM of Minnesota, Mr. MCGOVERN, Mr. HONDA, Mr. BACA, Ms. LEE, Mrs. CHRISTENSEN, Mr. SIRES, Mr. DELAHUNT, Mr. LINCOLN DIAZ-BALART of Florida, Ms. CLARKE, Mr. MORAN of Virginia, and Ms. NORTON):

H.R. 3692. A bill to authorize the establishment of a Social Investment and Economic Development Fund for the Americas to provide assistance to reduce poverty, expand the middle class, and foster increased economic opportunity in the countries of the Western Hemisphere, and for other purposes; to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGLISH of Pennsylvania:

H.R. 3693. A bill to amend the Internal Revenue Code of 1986 to provide for more effective use of the deduction for domestic production activities for businesses with net operating losses; to the Committee on Ways and Means.

By Mr. ENGLISH of Pennsylvania:

H.R. 3694. A bill to amend the Internal Revenue Code of 1986 to provide corporate alternative minimum tax reform; to the Committee on Ways and Means.

By Mr. HALL of New York (for himself, Ms. HOOLEY, Mr. MCDERMOTT, Mr.

BISHOP of New York, Mr. JOHNSON of Georgia, Mr. VAN HOLLEN, and Mr. HINCHEY):

H.R. 3695. A bill to prohibit an increase in the number of private security contractors performing security functions with respect to Operation Iraqi Freedom; to the Committee on Foreign Affairs, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LEWIS of Kentucky:

H.R. 3696. A bill to exclude the first $75,000 of the value of retirement plans (adjusted annually for cost of living) in determining eligibility for, and the amount of benefits under, the supplemental security income program; to the Committee on Ways and Means.

By Mr. MATHESON (for himself, Mr. FERGUSON, Mr. WAXMAN, and Ms. BALDWIN):

H.R. 3697. A bill to amend the Public Health Service Act to address antimicrobial resistance; to the Committee on Energy and Commerce.

By Ms. MCCOLLUM of Minnesota (for herself, Mr. LEWIS of Georgia, Mr. ELLISON, Mr. DELAHUNT, Mr. HONDA, Mr. GEORGE MILLER of California, Mr. MCDERMOTT, Mr. COHEN, Mr. PAYNE, Ms. SUTTON, and Ms. JACKSON-LEE of Texas):

H.R. 3698. A bill to establish a Global Service Fellowship Program, and for other purposes; to the Committee on Foreign Affairs, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. OBERSTAR:

H.R. 3699. A bill to provide for the use and distribution of the funds awarded to the Minnesota Chippewa Tribe in Minnesota Chippewa Tribe v. United States, Docket Nos. 19 and 188, United States Court of Federal Claims; to the Committee on Natural Resources.

By Mr. PALLONE:

H.R. 3700. A bill to amend title XIX of the Social Security Act to ensure that individuals eligible for medical assistance under the Medicaid Program continue to have access to prescription drugs, and for other purposes; to the Committee on Energy and Commerce.

By Mr. PALLONE (for himself and Mr. HALL of Texas):

H.R. 3701. A bill to amend the Public Health Service Act to direct the Secretary of Health and Human Services to intensify programs with respect to research and related activities concerning falls among older adults; to the Committee on Energy and Commerce.

By Mr. REHBERG:

H.R. 3702. A bill to direct the Secretary of Agriculture to convey certain land in the Beaverhead-Deerlodge National Forest, Montana, to Jefferson County, Montana, for use as a cemetery; to the Committee on Natural Resources.

By Mr. SCOTT of Georgia:

H.R. 3703. A bill to amend section 5112(p)(1)(A) of title 31, United States Code, to allow an exception from the $1 coin dispensing capability requirement for certain vending machines; to the Committee on Financial Services.

By Mr. STUPAK:

H.R. 3704. A bill to decrease the matching funds requirement and authorize additional appropriations for Keweenaw National Historical Park in the State of Michigan; to the Committee on Natural Resources.

By Ms. SUTTON:

H.R. 3705. A bill to amend the Truth in Lending Act to require notice to consumers of an upcoming adjustment or reset date with respect to hybrid adjustable rate mortgages, and for other purposes; to the Committee on Financial Services.

By Mr. TIERNEY (for himself and Mr. ALLEN):

H.R. 3706. A bill to provide for the study and investigation of wartime contracts and contracting processes in Operation Iraqi Freedom and Operation Enduring Freedom; to the Committee on Foreign Affairs, and in addition to the Committees on Armed Services, and Intelligence (Permanent Select), for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. ESHOO (for herself and Mr. ROGERS of Michigan):

H.J. Res. 54. A joint resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Centers for Medicare & Medicaid Services within the Department of Health and Human Services relating Medicare coverage for the use of erythropoiesis stimulating agents in cancer and related neoplastic conditions; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of New Jersey:

H. Con. Res. 220. Concurrent resolution concerning the response of the United States to forced abortion and the coercive one-child policy in the People's Republic of China, and the resulting ''gendercide'' of girls in that country; to the Committee on Foreign Affairs.

By Mr. KIRK (for himself, Mrs. BIGGERT, Mr. LAHOOD, Mr. SHIMKUS, and Mr. ROSKAM):

H. Res. 685. A resolution calling on the Governor of the State of Illinois to defend the right of employers to employee verification; to the Committee on Education and Labor, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. SHEA-PORTER:

H. Res. 686. A resolution condemning personal attacks on the honor, integrity and patriotism of those with distinguished military service to our Nation; to the Committee on Armed Services.

By Mr. DONNELLY (for himself, Mr. KING of New York, Ms. SUTTON, Mr. ELLSWORTH, Ms. HIRONO, Mr. LEVIN, Mr. CROWLEY, Mr. SMITH of New Jersey, Mr. FERGUSON, Mr. PLATTS, Mrs. GILLIBRAND, Mr. SHIMKUS, Mr. LINCOLN DIAZ-BALART of Florida, Mr. MARIO DIAZ-BALART of Florida, Ms. HERSETH SANDLIN, Mr. ALTMIRE, Mr. COURTNEY, Mr. BERRY, Mr. MCCAUL of Texas, Mr. PENCE, Mr. WALSH of New York, Mr. REYNOLDS, Mr. HONDA, Mr. CARDOZA, Mr. MOORE of Kansas, Mr. HOLT, Mr. HOBSON, Mr. RAMSTAD, Mr. KIRK, Mr. HILL, Mr. JOHNSON of Georgia, Mr. CUELLAR, Mr. LUCAS, Mrs. MUSGRAVE, Mr. WAMP, Mr. KUHL of New York, Mr. CARNEY, Mr. DANIEL E. LUNGREN of California, Mr. SOUDER, Mr. WELCH of Vermont, Mr. EHLERS, Mr. MICHAUD, Mr. HOLDEN, Mrs. MCCARTHY of New York, Mr. RADANOVICH, Mr. FOSSELLA, Mr. SULLIVAN, Mr. WALDEN of Oregon, Mr. FRELINGHUYSEN, Mr. DINGELL, Ms. ROS-LEHTINEN, Mr. LAMBORN, Mr. KANJORSKI, Ms. KAPTUR, Mr. KUCINICH, Mr. BRALEY of Iowa, Mr. SALI, Mr. HELLER, Mr. WALBERG, Mr. JORDAN, Mr. DAVID DAVIS of Tennessee, Mrs. BIGGERT, Mr. ROGERS of Kentucky, Mr. LEWIS of Kentucky, Mr. BROWN of South Carolina, Mr. NUNES, Mr. HOEKSTRA, Mrs. BACHMANN, Mrs. EMERSON, Mr. MCCARTHY of California, Mr. YARMUTH, Mr. LOEBSACK, Mr. CLEAVER, Mr. SIRES, Mr. SHAYS, Mr. RODRIGUEZ, Mr. DENT, Mr. WILSON of South Carolina, Mr. COBLE, Mr. GONZALEZ, Mr. GRIJALVA, Mr. HALL of New York, Mr. STEARNS, Mr. THORNBERRY, Mr. FLAKE, Mr. YOUNG of Alaska, Mr. KELLER, Mr. GARRETT of New Jersey, Mr. SALAZAR, Mr. BARROW, Mr. KING of Iowa, Mr. JONES of North Carolina, Mr. PAUL, Mr. BARTLETT of Maryland, Mr. BROUN of Georgia, Mr. FILNER, Mr. BURTON of Indiana, Mr. LINCOLN DAVIS of Tennessee, Mr. TIM MURPHY of Pennsylvania, Mr. CAMPBELL of California, Mr. SHULER, Mr. SMITH of Nebraska, Mr. PEARCE, and Mr. VISCLOSKY):

H. Res. 687. A resolution celebrating the 90th birthday of Reverend Theodore M. Hesburgh, C.S.C., president emeritus of the University of Notre Dame, and honoring his contributions to higher education, the Catholic Church, and the advancement of the humanitarian mission; to the Committee on Oversight and Government Reform.

By Mr. GALLEGLY:

H. Res. 688. A resolution expressing the sense of the House of Representatives concerning the creation of federal regions in Iraq; to the Committee on Foreign Affairs.

By Ms. HOOLEY (for herself, Mr. MURTHA, Ms. WOOLSEY, Mr. HASTINGS of Florida, Mr. DEFAZIO, Mr. LINCOLN DAVIS of Tennessee, Mr. KUCINICH, Ms. ESHOO, Mr. FILNER, Mr. HILL, Mr. ALLEN, Mrs. MCCARTHY of New York, Ms. CASTOR, Ms. HIRONO, Mr. MCGOVERN, Mr. MCINTYRE, Mr. DAVIS of Illinois, Mr. MOORE of Kansas, Mr. CLAY, Ms. MOORE of Wisconsin, Mr. NADLER, Mr. BUTTERFIELD, Mr. CARDOZA, Mr. DOGGETT, Mr. FARR, Mr. HALL of New York, Mr. HINCHEY, Ms. KAPTUR, Mr. LEWIS of Georgia, Mr. MCDERMOTT, Mr. OLVER, Mr. PASTOR, Mr. THOMPSON of California, Ms. VELÁZQUEZ, Mr. WU, Mr. BECERRA, Ms. WATSON, Mr. WEINER, Mr. BLUMENAUER, Mr. PASCRELL, Mr. ROSS, Mr. ROTHMAN, Ms. LINDA T. SÁNCHEZ of California, Mr. SPRATT, Mr. STUPAK, Mrs. TAUSCHER, Mr. THOMPSON of Mississippi, Mr. BRADY of Pennsylvania, Ms. ZOE LOFGREN of California, Mr. ABERCROMBIE, Mr. INSLEE, Mr. CAPUANO, Mr. RYAN of Ohio, Mr. HIGGINS, and Mr. TIERNEY):

H. Res. 689. A resolution calling upon George W. Bush, President of the United States, to urge full cooperation by his former political appointees, current Administration officials, and their friends and associates with congressional investigations; to the Committee on the Judiciary.

By Mr. ISRAEL (for himself and Mr. KNOLLENBERG):

H. Res. 690. A resolution expressing grave concern of the House of Representatives for Iran and Syria's continued and systematic violations of UN Resolutions 1701 and 1559; to the Committee on Foreign Affairs.

By Mr. LAMPSON (for himself, Mr. HALL of Texas, Mr. POE, Mr. HOLDEN, Mr. CARDOZA, Mr. MATHESON, Mr. MCINTYRE, Mr. SMITH of Washington,

Mr. LARSEN of Washington, Mr. BRADY of Pennsylvania, Mr. CONAWAY, Mr. AL GREEN of Texas, Mr. PAUL, Mrs. TAUSCHER, Mr. EDWARDS, Mr. BOYD of Florida, Mr. MCCAUL of Texas, Mr. GONZALEZ, Mr. TAYLOR, Mr. ORTIZ, Mr. SNYDER, Mr. JOHNSON of Georgia, Mr. LOEBSACK, Mr. PATRICK MURPHY of Pennsylvania, Mr. SHULER, Mr. CULBERSON, Mr. ELLSWORTH, Mrs. BOYDA of Kansas, Ms. SHEA-PORTER, Mr. BOREN, Mr. GENE GREEN of Texas, Ms. GIFFORDS, Mr. CLAY, Ms. JACKSON-LEE of Texas, Mrs. GILLIBRAND, Mr. REYES, and Ms. LORETTA SANCHEZ of California):

H. Res. 691. A resolution commending the Wings Over Houston Airshow for its great contribution to the appreciation, understanding, and future of the United States Armed Forces, the City of Houston, Texas, and Ellington Field; to the Committee on Armed Services.

By Mrs. MCCARTHY of New York (for herself, Mr. WALSH of New York, Mr. CROWLEY, Mr. KING of New York, Mr. PAYNE, Mr. MCHUGH, Mrs. MALONEY of New York, Mr. ENGEL, and Mr. HIGGINS):

H. Res. 692. A resolution honoring the 26th anniversary of Northern Ireland's first integrated school and further encouraging continued innovation to achieve a shared future in education in Northern Ireland that would deliver much higher standards of skills; to the Committee on Foreign Affairs.

By Mr. SERRANO:

H. Res. 693. A resolution condemning the recent actions of the Ku Klux Klan; to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 82: Mr. DENT, Ms. CASTOR, Mr. MICA, and Mr. SERRANO.

H.R. 88: Mr. GORDON.

H.R. 136: Mr. WAMP.

H.R. 138: Mr. WAMP and Mr. CAMPBELL of California.

H.R. 160: Mr. SHAYS.

H.R. 171: Mr. GORDON.

H.R. 289: Mr. TOM DAVIS of Virginia.

H.R. 369: Mr. BISHOP of New York.

H.R. 503: Mr. GILCHREST and Mr. BUCHANAN.

H.R. 507: Mr. GORDON, Mr. INSLEE, Mrs. LOWEY, Mr. GILCHREST, Mr. MOORE of Kansas, Mr. KENNEDY, Ms. CLARKE, Mr. CLYBURN, Mrs. JONES of Ohio, Ms. MOORE of Wisconsin, and Mr. ISRAEL.

H.R. 538: Mr. FILNER.

H.R. 549: Mr. FERGUSON.

H.R. 551: Mr. ROSS and Mr. BRALEY of Iowa.

H.R. 627: Mr. COURTNEY.

H.R. 686: Mr. BRALEY of Iowa.

H.R. 688: Mr. WALSH of New York.

H.R. 715: Mr. PATRICK MURPHY of Pennsylvania and Ms. BERKLEY.

H.R. 719: Mrs. BOYDA of Kansas, Mr. MORAN of Virginia, Mr. BURGESS, and Ms. LINDA T. SÁNCHEZ of California.

H.R. 743: Mr. MICA, Mr. BURGESS, Mrs. JONES of Ohio, Mr. RODRIGUEZ, Mr. BRADY of Pennsylvania, Mr. COURTNEY, and Mr. FATTAH.

H.R. 814: Mr. GORDON.

H.R. 821: Mr. COURTNEY.

H.R. 879: Ms. GINNY BROWN-WAITE of Florida.

H.R. 891: Mr. BUCHANAN.

H.R. 897: Mr. DINGELL and Mr. HALL of New York.

H.R. 989: Mr. BAKER.

H.R. 997: Mr. ISSA.

H.R. 1014: Ms. GINNY BROWN-WAITE of Florida.

H.R. 1064: Mr. KANJORSKI.

H.R. 1076: Ms. SCHAKOWSKY.

H.R. 1077: Ms. GINNY BROWN-WAITE of Florida.

H.R. 1125: Mr. COSTA, Mr. HONDA, and Mr. MILLER of North Carolina.

H.R. 1127: Mr. LEWIS of Kentucky and Mr. DUNCAN.

H.R. 1134: Mr. WEXLER and Mr. LARSEN of Washington.

H.R. 1157: Mr. DUNCAN.

H.R. 1176: Mr. JACKSON of Illinois.

H.R. 1193: Mr. DAVIS of Alabama, Mr. INSLEE, Mr. WALZ of Minnesota, Mr. REICHERT, Mr. LARSEN of Washington, Mr. SMITH of Washington, Mr. FORTENBERRY, Mrs. CHRISTENSEN, and Mr. EDWARDS.

H.R. 1216: Mrs. CAPPS.

H.R. 1223: Mr. UDALL of New Mexico and Mr. TOM DAVIS of Virginia.

H.R. 1275: Mr. FATTAH.

H.R. 1293: Mr. COURTNEY.

H.R. 1283: Mr. HASTINGS of Florida, Ms. ROYBAL-ALLARD, and Ms. CARSON.

H.R. 1303: Mr. LEWIS of Georgia.

H.R. 1308: Mr. KUCINICH and Mr. HINOJOSA.

H.R. 1343: Mr. MILLER of North Carolina and Mr. PETRI.

H.R. 1390: Mr. BURTON of Indiana.

H.R. 1419: Mr. FILNER.

H.R. 1420: Mr. FILNER.

H.R. 1422: Mr. LEWIS of Georgia.

H.R. 1439: Mr. VISCLOSKY.

H.R. 1459: Mr. LIPINSKI and Mr. MELANCON.

H.R. 1474: Mr. KLEIN of Florida, Mr. MAHONEY of Florida, and Mr. COLE of Oklahoma.

H.R. 1506: Mr. WATT.

H.R. 1528: Mr. SHAYS.

H.R. 1532: Mr. SERRANO.

H.R. 1534: Ms. MCCOLLUM of Minnesota.

H.R. 1542: Mr. MEEK of Florida.

H.R. 1552: Mr. ELLSWORTH and Mr. WALBERG.

H.R. 1553: Mr. PERLMUTTER.

H.R. 1567: Mr. WALSH of New York.

H.R. 1576: Mr. ELLISON, Mr. MCHUGH, Mr. KING of New York, Mr. ENGEL, Mr. WEINER, Mr. ACKERMAN, Mr. TOWNS, Mr. MEEKS of New York, Ms. SLAUGHTER, Ms. CLARKE, Ms. VELÁZQUEZ, Mr. FOSSELLA, Mr. TANNER, and Mr. NEAL of Massachusetts.

H.R. 1584: Mr. LARSEN of Washington, Mr. GRIJALVA, Mr. PASTOR, and Mr. HASTINGS of Washington.

H.R. 1610: Mr. BOSWELL, Mr. WESTMORELAND, Mr. HOEKSTRA, Mr. COBLE, Mr. MITCHELL, and Ms. BEAN.

H.R. 1644: Mr. SCOTT of Georgia, Mr. ISRAEL, Mr. MURTHA, and Mr. LANGEVIN.

H.R. 1647: Mr. MCNULTY, Mr. RUPPERSBERGER, and Mr. TOWNS.

H.R. 1661: Mr. SPACE.

H.R. 1665: Ms. DEGETTE.

H.R. 1671: Ms. BORDALLO.

H.R. 1699: Mr. GORDON.

H.R. 1727: Mr. GORDON.

H.R. 1738: Ms. PRYCE of Ohio and Mr. UPTON.

H.R. 1755: Mr. STARK.

H.R. 1810: Mr. WAMP.

H.R. 1813: Mr. BRALEY of Iowa and Mr. MCNERNEY.

H.R. 1843: Mr. ALLEN, Mr. DENT, Mr. PAYNE, Mr. LINCOLN DIAZ-BALART of Florida, Mr. CASTLE, and Ms. FOXX.

H.R. 1845: Ms. MCCOLLUM of Minnesota, Mr. KIRK, and Mr. WILSON of South Carolina.

H.R. 1876: Mr. PASTOR and Ms. KAPTUR.

H.R. 1881: Mr. HINOJOSA.

H.R. 1907: Mr. SHAYS.

H.R. 1983: Mr. MITCHELL.

H.R. 2021: Mr. POE, Mr. LOEBSACK, Mr. COSTA, Mr. PAUL, Mr. RUSH, Ms. CARSON, Mr. JEFFERSON, Mr. CLEAVER, Mr. PAYNE, Ms. BORDALLO, Ms. MATSUI, Mr. CROWLEY, Mr. SERRANO, Mr. GALLEGLY, and Mr. BRALEY of Iowa.

H.R. 2045: Mr. LEWIS of Georgia.

H.R. 2063: Mr. GENE GREEN of Texas, Mr. FERGUSON, and Ms. BALDWIN.

H.R. 2091: Mr. FATTAH.

H.R. 2123: Ms. BALDWIN, Mr. WEXLER, Mr. FILNER, and Mr. WEINER.

H.R. 2138: Mr. SPACE.

H.R. 2160: Mr. MCNULTY and Mr. CROWLEY.

H.R. 2164: Mr. ADERHOLT.

H.R. 2165: Mr. SPACE.

H.R. 2198: Mr. DINGELL.

H.R. 2210: Mrs. JONES of Ohio.

H.R. 2232: Mr. MEEK of Florida.

H.R. 2234: Mr. GERLACH and Mr. DONNELLY.

H.R. 2266: Mr. DAVIS of Alabama.

H.R. 2280: Mr. KING of Iowa and Mr. LOEBSACK.

H.R. 2295: Mr. BURGESS.

H.R. 2327: Ms. LINDA T. SÁZNCHEZ of California.

H.R. 2332: Mr. COSTA, Mr. CANNON, and Mr. FRANKS of Arizona.

H.R. 2341: Mr. SIRES.

H.R. 2370: Mr. CALVERT and Mrs. MYRICK.

H.R. 2452: Mr. ROTHMAN.

H.R. 2478: Mr. KENNEDY.

H.R. 2489: Mr. MCCAUL of Texas.

H.R. 2514: Mr. JACKSON of Illinois.

H.R. 2549: Mr. MEEK of Florida.

H.R. 2585: Mr. THORNBERRY.

H.R. 2600: Mr. ROTHMAN.

H.R. 2610: Mr. YOUNG of Alaska.

H.R. 2639: Mr. JORDAN.

H.R. 2668: Mr. COHEN.

H.R. 2694: Mr. COHEN and Mr. DEFAZIO.

H.R. 2712: Mr. BAKER.

H.R. 2734: Mr. WALSH of New York.

H.R. 2740: Mr. BISHOP of New York, Mr. ELLISON, and Mr. BLUMENAUER.

H.R. 2762: Mr. SHAYS, Mr. MCGOVERN, Mr. DELAHUNT, Mr. WALZ of Minnesota, and Mr. INSLEE.

H.R. 2779: Mr. ROSS.

H.R. 2784: Mr. CALVERT, Mr. ROSS, Mr. GENE GREEN of Texas, and Mr. CHABOT.

H.R. 2788: Mr. LAHOOD.

H.R. 2790: Mr. FILNER.

H.R. 2792: Mr. MEEK of Florida.

H.R. 2802: Mr. HILL and Mr. DOOLITTLE.

H.R. 2895: Mr. PETERSON of Minnesota, Mr. MCINTYRE, Mr. PRICE of North Carolina, Mr. GONZALEZ, Mr. THOMPSON of Mississippi, Mr. MORAN of Virginia, and Mr. DOGGETT.

H.R. 2910: Mr. GERLACH, Mr. TOWNS, Mr. SCHIFF, Mr. OBERSTAR, and Mr. BERRY.

H.R. 2933: Mr. TOWNS, Mr. BOSWELL, and Mr. MILLER of North Carolina.

H.R. 2942: Mr. PITTS.

H.R. 2990: Mr. TERRY and Mr. NEAL of Massachusetts.

H.R. 3025: Mr. DAVIS of Alabama.

H.R. 3028: Mr. CALVERT.

H.R. 3029: Mr. GILCHREST.

H.R. 3042: Mr. SIRES, Mr. PETERSON of Minnesota, Mr. BARTLETT of Maryland, Mr. WALZ of Minnesota, Mr. BISHOP of Georgia, Mrs. MCCARTHY of New York, and Ms. ZOE LOFGREN of California.

H.R. 3055: Mr. MCGOVERN.

H.R. 3057: Mr. DENT and Mr. ROGERS of Kentucky.

H.R. 3085: Mr. COHEN.

H.R. 3099: Mr. FILNER.

H.R. 3132: Mr. MCDERMOTT.

H.R. 3140: Mr. LUCAS, Mr. SPACE, and Mr. SALAZAR.

H.R. 3150: Mr. FEENEY.

H.R. 3158: Mr. SIRES.

H.R. 3167: Mr. SIRES.

H.R. 3195: Mr. SPRATT, Mr. LINCOLN DIAZ-BALART of Florida, Mrs. NAPOLITANO, Mr. JACKSON of Illinois, Ms. WATERS, and Mr. ELLSWORTH.

H.R. 3204: Ms. DELAURO.

H.R. 3212: Mr. SIRES.

H.R. 3219: Mr. MCINTYRE, Mr. HAYES, Mr. MORAN of Virginia, and Mr. PALLONE.

H.R. 3289: Mr. BRALEY of Iowa, Mr. BERMAN, Mr. WAXMAN, Ms. MATSUI, Mr. PERLMUTTER, Mr. HOLT, Mr. LEWIS of Georgia, Mr. ABERCROMBIE, and Ms. CARSON.

H.R. 3298: Mr. MORAN of Virginia and Mr. MCDERMOTT.

H.R. 3327: Mr. RUPPERSBERGER, Mrs. TAUSCHER, and Ms. MOORE of Wisconsin.

H.R. 3355: Ms. GINNY BROWN-WAITE of Florida.

H.R. 3358: Mr. MCHUGH.

H.R. 3363: Mr. WAMP.

H.R. 3380: Mr. DONNELLY.

H.R. 3385: Ms. JACKSON-LEE of Texas, Mr. HARE, Mr. BRADY of Pennsylvania, Mr. SERRANO, and Mr. RANGEL.

H.R. 3404: Ms. SCHAKOWSKY and Mr. UDALL of New Mexico.

H.R. 3416: Mr. GRIJALVA.

H.R. 3425: Mr. RUSH.

H.R. 3429: Mr. FILNER.

H.R. 3431: Mr. LARSON of Connecticut.

H.R. 3440: Mr. RAHALL.

H.R. 3448: Mr. GRIJALVA.

H.R. 3453: Mr. BOUSTANY and Mr. BRALEY of Iowa.

H.R. 3457: Mr. CONAWAY and Mr. THOMPSON of California.

H.R. 3463: Mr. GORDON.

H.R. 3467: Mr. COHEN.

H.R. 3481: Mrs. MALONEY of New York, Mr. SHAYS, Mr. YOUNG of Alaska, Mr. LATHAM, Mr. CUMMINGS, Mr. KUCINICH, Ms. KAPTUR, and Mr. NADLER.

H.R. 3494: Mr. SHULER.

H.R. 3495: Mr. GRIJALVA, Mr. NADLER, Mr. BRADY of Pennsylvania, and Mr. PAYNE.

H.R. 3498: Mr. OBERSTAR.

H.R. 3521: Mr. HARE.

H.R. 3531: Mr. HOEKSTRA and Mr. MARCHANT.

H.R. 3533: Mr. RUSH, Ms. MATSUI, Mr. LANTOS, and Mr. KUHL of New York.

H.R. 3541: Mr. KING of New York, Mr. COHEN, Mr. HIGGINS, Mr. SCHIFF, and Mr. JOHNSON of Illinois.

H.R. 3543: Mr. ABERCROMBIE and Mr. HONDA.

H.R. 3544: Mr. MARSHALL.

H.R. 3559: Mr. FORTUÑO, Mr. BROWN of South Carolina, Mrs. BLACKBURN, Mr. AKIN, Mr. GINGREY, Mr. WELDON of Florida, Mr. BARTLETT of Maryland, Mr. FRANKS of Arizona, Mrs. MYRICK, Mr. SHADEGG, Mr. GOODE, Ms. FALLIN, and Mr. ROSKAM.

H.R. 3562: Mr. BUCHANAN, Mr. VISCLOSKY, and Mr. KAGEN.

H.R. 3577: Mr. CASTLE and Ms. SUTTON.

H.R. 3585: Mr. POMEROY, Mr. MOORE of Kansas, Mrs. CAPPS, Mr. FRANK of Massachusetts, Mr. VAN HOLLEN, Mr. CROWLEY, Mr. HOYER, Mr. LARSON of Connecticut, Mr. SPRATT, Mrs. CHRISTENSEN, and Mr. ISSA.

H.R. 3609: Ms. LORETTA SANCHEZ of California, Mr. GUTIERREZ, and Mr. GEORGE MILLER of California.

H.R. 3612: Mr. BROUN of Georgia.

H.R. 3622: Mr. HOLT, Mr. PASCRELL, Mr. ETHERIDGE, Mrs. BOYDA of Kansas, Mr. CULBERSON, Mrs. DRAKE, Mr. LEWIS of Kentucky, Ms. PRYCE of Ohio, Mr. MCCOTTER, Mr. LIPINSKI, Mr. POE, Mr. LATHAM, Mrs. EMERSON, and Mr. WAMP.

H.R. 3627: Mr. WAMP.

H.R. 3631: Mr. SENSENBRENNER and Ms. ESHOO.

H.R. 3652: Mr. GUTIERREZ.

H.R. 3654: Mr. BOYD of Florida, Mr. MOORE of Kansas, Mr. LINCOLN DAVIS of Tennessee, Mr. ROSS, Mr. KIND, Mr. CASTLE, Mr. LAHOOD, Mr. MCKEON, Mr. CULBERSON, Mrs. JO ANN DAVIS of Virginia, Mr. EHLERS, Mr. FLAKE, and Mr. MELANCON.

H.J. Res. 51: Mr. GRIJALVA, Mr. BECERRA, Mr. GONZALEZ, Mr. GUTIERREZ, Mrs. NAPOLITANO, Mr. ORTIZ, Mr. PASTOR, Mr. RODRIGUEZ, Ms. ROYBAL-ALLARD, Mr. SALAZAR, and Mr. SIRES.

H. Con. Res. 40: Mr. MILLER of Florida and Mr. SULLIVAN.

H. Con. Res. 122: Mr. PERLMUTTER and Ms. HERSETH SANDLIN.

H. Con. Res. 182: Ms. ESHOO, Mr. TOM DAVIS of Virginia, Mr. BROUN of Georgia, and Mr. BURTON of Indiana.

H. Con. Res. 198: Mr. CUMMINGS and Mr. PASTOR.

H. Con. Res. 200: Ms. SCHAKOWSKY.

H. Con. Res. 202: Mr. MCDERMOTT, Ms. WATSON, Mr. GRIJALVA, Mr. MCGOVERN, Mr. FRANK of Massachusetts, Ms. BERKLEY, Mr. MORAN of Virginia, and Ms. ZOE LOFGREN of California.

H. Con. Res. 218: Mrs. BACHMANN, Mr. BARTLETT of Maryland, Mrs. BLACKBURN, Mr. BROWN of South Carolina, Mr. CAMPBELL of California, Ms. FALLIN, Mr. FEENEY, Mr. FRANKS of Arizona, Mr. GARRETT of New Jersey, Mr. GINGREY, Mr. GOODE, Mr. ISSA, Mr. JORDAN, Mr. LINDER, Mr. LUCAS, Mrs. MYRICK, Mr. PITTS, Mr. WELDON of Florida, Mr. WESTMORELAND, Mr. ROSKAM, and Mr. PORTER.

H. Res. 18: Mr. ISSA.

H. Res. 111: Ms. SCHWARTZ and Ms. KILPATRICK.

H. Res. 143: Mrs. GILLIBRAND.

H. Res. 245: Mr. HOLT.

H. Res. 282: Mr. MITCHELL, Mr. LAMPSON, Mr. LUCAS, and Mr. BOREN.

H. Res. 333: Mr. TOWNS.

H. Res. 415: Mr. JOHNSON of Georgia and Mr. PASTOR.

H. Res. 448: Ms. NORTON, Mrs. MCCARTHY of New York, Mr. KIND, Mr. FERGUSON, Mr. ALLEN, Mr. MCNULTY, Mr. GOODE, Mr. WOLF, Mr. SCOTT of Virginia, Mr. MCHUGH, Mr. GENE GREEN of Texas, Mr. MELANCON, Mr. CHANDLER, Mr. CARDOZA, Mr. BOREN, Mr. BARROW, Mr. ROSS, Mr. LARSEN of Washington, Mr. LINCOLN DAVIS of Tennessee, Mr. SALAZAR, Mr. BOSWELL, Mr. MICHAUD, Mr. ELLSWORTH, Mr. STUPAK, Mr. GONZALEZ, Mr. LAMPSON, Mr. HILL, Ms. HERSETH SANDLIN, Ms. HOOLEY, Mr. CROWLEY, Ms. BALDWIN, Mr. MOORE of Kansas, Mr. BISHOP of Georgia, Mr. ARCURI, Mr. CRAMER, and Mr. INSLEE.

H. Res. 499: Mr. Broun of Georgia.

H. Res. 537: Mr. FERGUSON, Mr. PICKERING, Mr. LAHOOD, Mr. ROGERS of Michigan, Mr. JOHNSON of Illinois, and Mr. HASTERT.

H. Res. 539: Ms. CASTOR.

H. Res. 542: Mr. ROGERS of Kentucky, Mr. WAMP, Mrs. MCMORRIS RODGERS, and Mr. ALEXANDER.

H. Res. 573: Ms. SUTTON.

H. Res. 620: Mr. SCHIFF, Ms. ESHOO, and Mr. ENGEL.

H. Res. 651: Mr. COBLE, Mr. ENGLISH of Pennsylvania, and Mr. BERMAN.

H. Res. 671: Mr. PAUL, Mr. MORAN of Virginia, Mr. ADERHOLT, and Mr. KING of New York.

H. Res. 680: Mr. YOUNG of Florida, Mr. TOWNS, Mr. FORBES, Mr. GORDON, and Mr. ALEXANDER.

## DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 946: Mr. CLEAVER.

## DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Member added his name to the following discharge petition:

Petition 2, by Mr. BOEHNER on House Resolution 559: Jerry Lewis, John L. Mica, Lee Terry, Mary Fallin, Robert B. Aderholt, Joe Knollenberg, Richard H. Baker, Walter B. Jones, Dean Heller, Rick Renzi, Paul Ryan, Mary Bono, Connie Mack, Ed Whitfield, Virgil H. Goode, Jr., Dana Rohrabacher, Jack Kingston, Ralph M. Hall, Ron Lewis, Mike Pence, Michael K. Simpson, John Sullivan, Mark Steven Kirk, Devin Nunes, Howard Coble, Roger F. Wicker, Vern Buchanan, Kenny C. Hulshof, Timothy V. Johnson, Deborah Pryce, Trent Franks, Todd Tiahrt, J. Dennis Hastert, Kenny Marchant, Jim Ramstad, Jo Ann Emerson, Joe Barton, Christopher H. Smith, Don Young, Duncan Hunter, Wayne T. Gilchrest, Roscoe G. Bartlett, Chris Cannon, 186. Edward R. Royce, Steven C. LaTourette, David L. Hobson, J. Gresham Barrett, Heather Wilson, C.W. Bill Young, Ralph Regula, John E. Peterson